

Issue 119 May 2018

SUBSCRIPTION ONLY

YOUR

PROPERTY

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NETWORK

WHERE ARE THEY NOW?

What's changed for investors
featured 3, 4 and 5 years ago?

PROPERTY PROJECT

Turning a job centre into a giant HMO!

MAKE MONEY AS THE HAMMER FALLS

What you need to know about
buying at auction

PLUS

HOW TO MITIGATE S24 WITH A SIMPLE PARTNERSHIP



"MARKET VALUE BRIDGING FOR A SEMI COMMERCIAL / HMO OPPORTUNITY"

OPPORTUNITY

- SEMI COMMERCIAL PROPERTY OVER 2 FLOORS
- EXISTING TENANCY ON GROUND FLOOR – LET TO A STRONG TENANT WITH A LONG LEASE
- UPSTAIRS VACANT
- PURCHASE PRICE AGREED SUBJECT TO PLANNING PERMISSION FOR A 16 BED HMO ON 2ND FLOOR AND EXTENSION ON THE REAR

CLIENT REQUIREMENTS

- MINIMUM DEPOSIT IN ON DAY 1
- THE CLIENT WANTED TO CONTROL HIS DEVELOPMENT FUNDS HIMSELF BY PUTTING IN THE MINIMUM ON DAY 1 AND SAVING ON QS & CONTRACT ADMINSTRATOR FEES
- A GOOD RATE
- 2 YEAR TERM



SOLUTION!

- PLANNING PERMISSION GRANTED, WHICH INCREASED VALUE. DEVELOPMENT MONEY ABLE TO LEND ON 75% OF MARKET VALUE, SO ONLY 8% DEPOSIT DOWN
- NO INTEREST TO PAY UPFRONT AS WE SOURCED A LENDER WHO WOULD ALLOW MONTHLY INTEREST PAYMENTS FROM THE RENTAL INCOME OF THE GROUND FLOOR TENANT
- A RATE OF 1% PER MONTH UNTIL IT GOES ONTO A COMMERCIAL MORTGAGE
- 24 MONTH TERM
- A SAVING TO CLIENT OF £27,600 ON QS AND CA FEES!

CLIENT TESTIMONIAL

Just wanted to drop you a line and say what a pleasure it's been working with Lesia there was a delay on the vendors side but I must say the transaction was very simple and not overly complicated like other lenders! She's a credit to your team. Thanks once again.

Dinesh

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WELCOME

As we head towards our 10th birthday next month, the YPN team is in a reflective mood. Property investors spend a lot of time planning and working towards the future, but it does pay to stand back every now and again to mull over what you have achieved.

With this in mind, we have got in touch with some investors who were featured in the pages of YPN a few years ago to see what they've been up to in the meantime. Are they still in property? Are they following the same strategies? Have any of them retired and gone to lie on a beach? Find out what they have to say in the Where are they now? feature starting on page 5.

Your Property Project is proving popular with readers and this month's investor showcases not one but two awesome projects to inspire you. As well as being gorgeous to look at, both of them have netted juicy returns for all parties involved.

There's a hint of summer sun in the air as we go to print, so I hope that you have a chance to enjoy some decent weather as you're out and about searching for your next investment property.

To your successful investing,

Jayne Owen

EDITOR

STOP PRESS

The article 'Legislation Update' published in the April issue of Your Property Network stated that The Property Ombudsman had announced it will withdraw its services over the next few months and close in August. Please note that this information is incorrect.

Ombudsman Services (OS:P) is the scheme which will withdraw as a redress scheme from the property sector. The Property Ombudsman (TPO) would like to reassure its member agents and consumers that it remains open for business.

IN THE MAY ISSUE OF YPN ...

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Three investors reflect on what has changed since they last appeared in the pages of YPN

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Big challenges and big returns on two gorgeous properties

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In the first of a mini-series on auctions, **Max Scott** gives us an overview of the market

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Martin Rapley outlines what you need to know about turning basements into living space in his "Refurb Intro" series

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Mark Doyle takes a look at constructing retaining walls in the latest of his series on structural issues

64 USING A 'SIMPLE' PARTNERSHIP TO MITIGATE S24

In a timely article on tax planning for S24, **Stephen Fay** considers the benefits of a simple property partnership structure

83 RAJ BERI'S BOOK REVIEW

Tune in to **Raj's** monthly review of hot property (and other useful) books

PLUS

Funding regulations, legislation and finance updates, all your regular favourites and more!

In addition, as the largest of the government-approved redress schemes and having received a high volume of enquiries relating to the changes, TPO is working collaboratively with other leading industry bodies to provide guidance for those managing agents, estate agents and letting agents needing to transfer from OS:P to another redress scheme by 6th August 2018.

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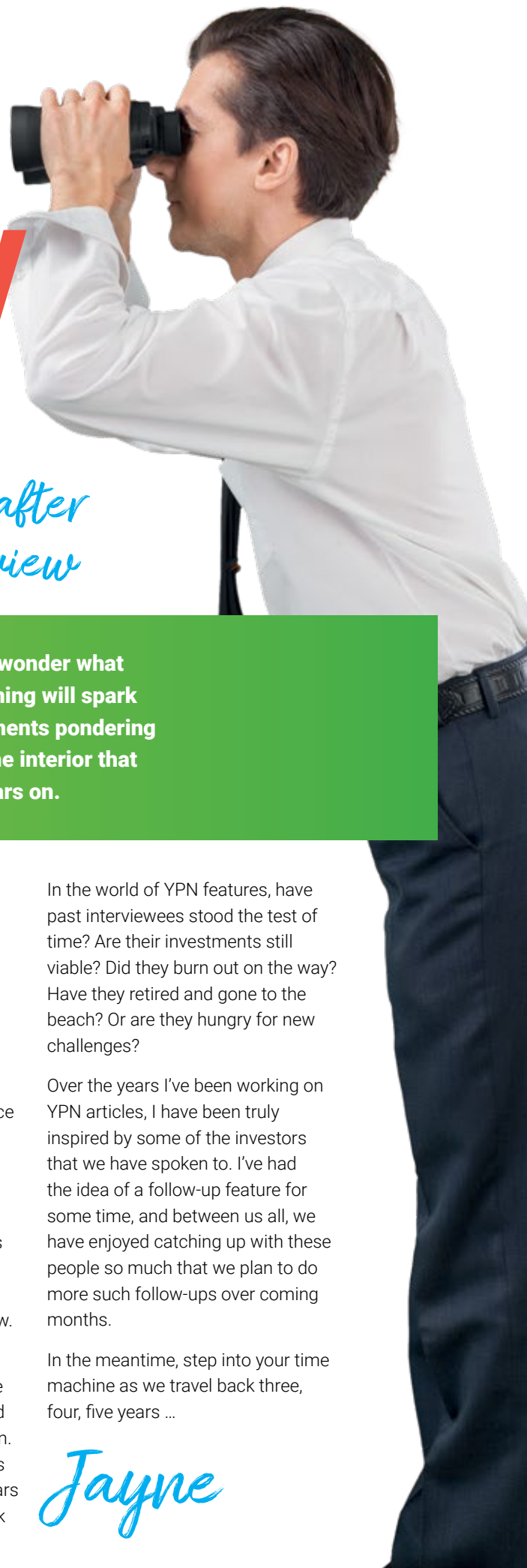
THE YPN JARGON BUSTER

A list of the abbreviations and tech-talk used in this month's YPN –

ACV	Asset of community value	GCH	Gas central heating	PRS	Private Rented Sector
ADR	Alternative Dispute Resolution	GDPR	General Data Protection Regulation	R2R	Rent-to-rent
APHC	Association of Plumbing and Heating Contractors	GDV	Gross Development Value	REIT	Real Estate Investment Trust
ARLA	Association of Residential Letting Agents	HB	Housing benefit	RGI	Rent guarantee insurance
Article 4	An Article 4 Direction removes permitted development rights within a specified area designated by the local authority. In many cities with areas at risk of 'studentification', there are restrictions on creating HMOs so you will have to apply for planning permission. Check with your local planning authority.	HHSRS	Housing Health and Safety Rating System	RLA	Residential Landlords Association
AST	Assured Shorthold Tenancy	HMO	House of Multiple Occupation	ROI	Return on Investment
AT	Assured tenancy	HNWI	High Net Worth Individual a certified high net worth investor is an individual who has signed a statement confirming that he/she has a minimum income of £100,000, or net assets of £250,000 excluding primary residence (or money raised through loan a secured on that property) and certain other benefits. Signing the statement enables receipt of promotional communications exempt from the restriction on promotion on non-mainstream pooled investments. (Source: FCA)	RP	Registered Proprietor, refer ring to the name on the title of a property Land Registry
BCIS	Building Cost Information Service – a part of RICS, providing cost and price information for the UK construction industry.	HP	Hire Purchase	RSJ	Rolled-steel joist – steel beam
BCO	British Council for Offices	HSE	Health and Safety Executive	RTO	Rent to Own
BIM	Building information modelling	ICR	Interest Cover Ratio	RX1	Form used to register an application to the Land Registry to place a restriction on the legal title of a property to protect the interests of a third party. The restriction will prevent certain types of transaction being registered against the property (eg, sale, transfer of ownership or mortgage)
BMV	Below market value	IHT	Inheritance tax	S24 or Section 24	Section 24 of the Finance Act (No. 2) Act 2015 – restriction of relief for finance costs on residential properties to the basic rate of Income Tax, being introduced gradually from 6 April 2017. Also referred to as the Tenant Tax'.
BTL	Buy-to-let	JCT (contract)	Joint Contracts Tribunal – produce standard forms of construction contract, guidance notes and other standard forms of documentation for use by the construction industry (Source: JCT)	SA	Serviced Accommodation
BTR	Build-to-rent	JV	Joint venture	SAP (assessment)	Standard assessment procedure
BTS	Buy-to-sell	JVA	Joint venture agreement	SARB	Sale and Rent Back
CCA	Consumer Credit Act	KPIs	Key Performance Indicators	SDLT	Stamp Duty Land Tax
CDM	Construction Design and Management	L8 ACOP	Approved Code of Practice L8 – Legionella Control and Guidance	SI	Sophisticated Investor (Source: FCA)
CIL	Community Infrastructure Levy - The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. (Source: planningportal.co.uk)	LACORS	Local Authorities Coordinators of Regulatory Services		Certified: individual who has a written certificate from a "firm" (as defined by the FCA) confirming he/she is sufficiently knowledgeable to understand the risks associated with engaging in investment activity.
CIS	Construction Industry Scheme – Under this, contractors deduct money from a subcontractor's payments and pass it to HMRC. These deductions count as advance payments towards the subcontractor's tax and NI. Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.	LHA	Local Housing Authority		Self-certified: individual who has signed a statement confirming that he/she can receive promotional communications from an FCA-authorised person, relating to non-mainstream pooled investments, and understand the risks of such investments. One of the following must also apply:
CGT	Capital gains tax	Libor	London Inter-Bank Offered Rate		(a) Member of a syndicate of business angels for at least six months;
CML	Council for Mortgage Lenders	LLP	Limited Liability Partnership		(b) More than one investment in an unlisted company within the previous two years;
CPD	Continuing Professional Development	LTV	Loan To Value		(c) Working in professional capacity in private equity sector or provision of finance for SMEs;
CPT	Contractual periodic tenancy	MCD	Mortgage Credit Directive (European framework of rules of conduct for mortgage firms)		(d) Director of a company with annual turnover of at least £1m within the previous two years.
CRM	Customer relationship management (eg, CRM systems)	MVP	Minimum viable product	SIP(s)	Structural integrated panels
CTA	Call to Action	NALS	National Approved Letting Scheme	SME	Small and Medium-sized Enterprises
DCLG	Department for Communities and Local Government	NICEIC	National Inspection Council for Electrical Installation Contracting	SPT	Statutory periodic tenancy
DoT	Deed or Declaration of Trust	NLA	National Landlords Association	SPV	Special Purpose Vehicle – a structure, usually a limited company, used when more than one person invests in a property. The legal status of the SPV protects the interests of each investor.
EHO	Environmental Health Officer	OIEO	Offers in excess of		Sold Subject To Contract
EIS	Enterprise Investment Scheme	OMV	Open market value		The Property Ombudsman
EPC	Energy performance certificate	PBSA	Purpose-built student accommodation		The UK Association of Letting Agents
FCA	Financial Conduct Authority	PD	Permitted Development / Permitted Development rights – you can perform certain types of work on a building without needing to apply for planning permission. Certain areas (such as Conservation Areas, National Parks, etc) have greater restrictions. Check with your local planning authority.		Unique selling point
FLEEA cover	Insurance cover for Fire, Lightning, Explosion, Earthquake and Aircraft impact, but no other perils. Some times issued for a property that has been empty for some time	PI insurance	Professional Indemnity insurance		
FPC	Financial Policy Committee	PLO	Purchase lease option	SSTC	
FRA	Fire risk assessment	PM	Project manager	TPO	
FSCS	Financial Services Compensation Scheme	PRA	Prudential Regulation Authority – created as a part of the Bank of England by the Financial Services Act (2012), responsible for the prudential regulation and supervision of around 1,500 banks, building societies, credit unions, insurers and major investment firms. (Source: Bank of England)	UKALA	
FTB	First time buyer			USP	

WHERE ARE THEY NOW?

What happens after the interview



Do you ever read about someone in a magazine article then wonder what happens to them afterwards? I do, often. Sometimes something will spark the memory of a feature years later and I'll spend a few moments pondering whatever became of the person or the business ... or what the interior that was so superbly styled for the photoshoot looks like five years on.

It's a bit like a Disney film – you get the happy-ever-after moment but it's only after the credits roll that reality kicks in (I know "Disney film" and "reality" don't belong in the same sentence but go with me on the analogy here). If Cinderella were a property investor, she'd have converted her old home and the castle into gorgeous rental apartments and become financially free in her own right. But would she have sailed off into the sunset with Prince Charming to spend life on a tropical beach ... or would she have been more likely to put on her hard hat and get down and dirty on a new property challenge? If you prefer a tragedy script to the romcom or action movie, the wicked-witch-stepmother might have stuck her oar in to make sure that Cinderella only ever got the tenants from hell, causing the whole portfolio to become rundown and lose value, ending up with her losing her entire fortune. I could go on with this just

for fun, but you're probably getting the idea now of what we're about: what's happened to some of the people we've interviewed over the years?

For the person being featured, a magazine article is a snapshot in time. As readers, we find out what they have achieved and get a chance to snoop on some of their amazing deals. As time goes by though, circumstances change. Strategies that worked a couple of years back don't always work today. Properties that netted ace profits a while back can be subject to a change of regulation that knocks the cash flow.

People change too. Goals are met, family circumstances alter, jobs are chucked in, investments yield grand returns (or not) and so on and so on. Priorities are re-aligned. Sometimes even just getting bored or a few years older is enough to prompt a re-think of one's personal strategy.

In the world of YPN features, have past interviewees stood the test of time? Are their investments still viable? Did they burn out on the way? Have they retired and gone to the beach? Or are they hungry for new challenges?

Over the years I've been working on YPN articles, I have been truly inspired by some of the investors that we have spoken to. I've had the idea of a follow-up feature for some time, and between us all, we have enjoyed catching up with these people so much that we plan to do more such follow-ups over coming months.

In the meantime, step into your time machine as we travel back three, four, five years ...

Jayne

NICK JOSLING UPSCALING

GROWING OUR BUSINESS THROUGH DIVERSIFICATION AND DEDICATION

"You can't do it all"



Interview & words: **Raj Beri**

As part of this **"Where Are They Now"** feature (which we will also run as an occasional series going forward), YPN interviews investors who have previously been profiled, but some years ago. We are keen to find out how their property journeys have evolved. For the benefit of our readers, we want the investors being interviewed to be a source of inspiration and to offer tips and guidance along the way.

Nick Josling was profiled by YPN five years ago in a short article introducing him as the host of the Bristol PIN meeting. In this more detailed interview, Nick, who is a property investor based in Bristol, charts his journey over the last few years.

YPN: Just to kick things off could you tell readers how you got into property?

Nick: Initially, I got into BTL back in 2006 at a time when buying off-plan flats via Inside Track was all the rage. My first BTL investment was as a JV with a friend, a straightforward buy, refurbish, and let out. Shortly afterwards, I went travelling to South America for a couple of years with my then girlfriend, now wife, Hayley (some may say this was my mid-life crisis!). Not many people know this, but I actually dabbled in property whilst I was abroad and tried a bit of rent-to-rent in Ecuador (not recommended). After renting out our own houses we had just three BTL properties, but the cashflow generated gave us sufficient income to stay in South America a year longer than planned. I was beginning to appreciate the power of property in terms of the income it could provide.

Returning to the UK, I became more serious about property and got involved with a sourcing company who specialised in doing Sell-and-Rent-Back deals. Unfortunately, the company went bust and I lost some money, but I realised that there was plenty I didn't know about property. So, in 2009, I embarked

on Simon Zutshi's Mastermind program, teaching me numerous strategies as well as changing my mindset.

“The initial focus was my own portfolio to ensure that the model was robust”

YPN: How did you decide which strategy to focus on?

Nick: Initially, it was really tough and I found myself dabbling in a number of strategies including options, title splits, LHA (Local Housing Allowance) and HMO's. As soon as I learnt about a new strategy, I thought it was fantastic and would have a go at that, so ended up trying everything. I wouldn't recommend that approach and I think it's important to be focused. I finally concentrated on standard BTLs where I would buy the property at a significant discount, undertake the refurbishment and refinance all my capital to use on the next project. The

model worked well and it would have been OK to keep doing it as a pension plan, but I began to appreciate that property could actually replace my salary if I utilised other models that generated more income. Single lets don't produce a huge amount of cash flow by the time you account for all the costs: mortgage, maintenance and voids, so to use this model to replace salaries would necessitate acquiring a lot of units.

YPN: Having decided that the BTL model wouldn't fit your objectives, you embarked on the LHA Strategy. Tell us more about that.

Nick: I started using the LHA Strategy from about 2010 as a way of increasing my yields. One aspect of this strategy is termed two-plus-two, where you get two tenants eligible for Housing Benefit and they make independent claims. Essentially, they are sharing a house and have two "exclusive" rooms each. Structured correctly, this model can give you a higher rental income than if you were just achieving market rent on single lets. As well as doubling my rental profits, I was also housing people who needed the accommodation. At this point, as well as having a full-time job, I was also dealing with all aspects of the LHA rental model, i.e. doing viewings, helping people with claims and dealing with the council.

YPN: Did you focus on doing this strategy for yourself or did you start sourcing for other investors?

Nick: The initial focus was my own portfolio, and ensuring that the model was robust. It then evolved into providing it as a service to other investors after I met my current business partner Ashley Rigg at a pin meeting, who suggested that it would work really well for other investors. Ashley and myself set up a hands-free business where we would source the properties, refurbish them and then offer investors a 'guaranteed' (single-let) rent and keep the uplift based on the model. The model worked well and we ended up doing a lot of these types of deals, providing an additional income stream. Over time, we began splitting houses into self-contained studios.

CASE STUDY #1

Stapleton Road

The property. Terraced house, two miles from Bristol city centre, originally set up as a messy five-bed rental. It was in poor condition and had no family appeal. We put an offer in but the deal fell out of bed, then the agent came back to us six months later.

Strategy. Get planning for a nine-bed HMO (seven en-suites), creating three studio rooms and two communal kitchens. two of the rooms gained through a loft conversion.

Purchase price: £250,500

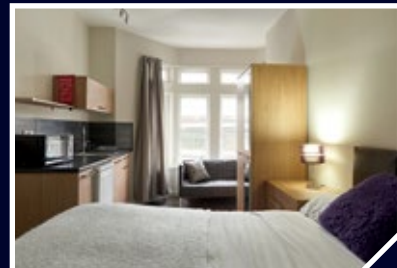
OMV: £265,000

Legals: £1,500

Stamp duty: £2,525

Total purchase, inc costs: £254,525

Funding. Bought for cash – we borrowed £250k from a private investor for purchase, providing first charge on the property. Refurbishment and costs financed by private investor and our own cash, drawn down as required. All private investor finance was repaid after remortgaging.



Total funding over project:	£460,000
Private investor borrowing rates pa:	8%
Total interest paid to investors:	£33,000
Post-works valuation:	£480,000
Remortgage after refurb:	£364,500
Remortgage – Shawbrook:	4.99% fixed for 3 years
Personal money left in:	£96,000
Monthly income (bills incl):	£4,900
Monthly mortgage payment:	£1,515
Monthly bills:	£700
Monthly maintenance budget:	£200
Net monthly cash flow:	£2,500
Return on money left in:	31%

COST OF WORKS

Duration of project:	9 months
Costs incl architects, planning, building regs, advice, surveys (structural and drains):	£3,646
Refurbishment works:	£114,000
Conversion of loft into two rooms:	£48,000
HMO licence:	£1,300
Total costs:	£166,946

Being self-contained meant that each tenant was eligible for the one-bedroom rate and we were able to create significant extra value in the properties by splitting them up. It proved to be a high-yielding strategy and we still manage most of those investments.

YPN: You mentioned that you began working with a business partner. What was the thinking behind that?

Nick: It was a case of leveraging someone else's skills; initially we both tried to do everything!! I had created a business model that was working and Ashley brought in marketing expertise from his previous businesses so it was a good combination of skill sets. The roles have been further refined so that Ashley focuses on sourcing our deals and managing the refurbishments whilst I focus on investor relationships and lead the property management business

YPN: Has this strategy remained mainstream for you or have you diversified into other things?

Nick: A number of changes have meant a change of direction. The austerity measures have hit the welfare budget hard, so housing benefits rates have moved very little in the last few years. As market rents have continued to increase significantly, LHA has become less viable as a commercial model so we've moved across to professional HMOs. The other challenge we had was that it became a lot harder to scale the business as the LHA model can be very management intensive and it has become increasingly difficult to deal with councils. The introduction of Universal Credit has complicated the model further.

YPN: How did you find the transition from the LHA business model to the professional HMO model and how has this evolved?

Nick: Essentially, we were already utilising a lot of skills which enabled an easier transition into the HMO market, i.e. we were already managing 'smaller' HMOs with two people in studios. So, although there are two distinct tenant types – LHA and professional tenants – we already had the core skillset in sourcing the properties, adding value to those properties through refurbishment and then ongoing tenant management. If you acquire the necessary skills of managing the LHA sector, you're pretty well equipped to manage any sector!

With HMOs, we know Bristol really, really well so we know the areas that will work for professional HMOs. We also realised that people doing professional HMOs weren't always managing them well, so we wanted to fill that niche and improve on the management for investors and landlords, as

well as for our own stock. Our goal as a business was not to just set up our own HMOs but also to manage other people's HMOs in a way that we want our own managed. HMO investment and management has now become our core business, as well as HMO consultancy, although we've kept some properties which have very good long-term LHA tenants (two-plus-two and studios).

YPN: What is the current state of the HMO market in your area?

Nick: I think Bristol is probably similar to many other areas in that a lot of investors are focusing on HMOs. It's become a very popular strategy and it's apparent that people are looking for higher yields to combat things like the impact of Section 24. So, there's no doubt that there has been an increase in supply of rooms in Bristol and it's a far more competitive sector than three or four years ago. Currently, there is very good room demand in Bristol due to the economy being strong and buoyant: a lot of people are moving to Bristol; a lot of University students are choosing to stay in Bristol. But there is a risk of saturation so what we've done, and what I recommend to other people, is to try to stand out in terms of what you do with your own properties. Perhaps find a little bit of a niche or a niche area or niche sector of tenants, for example the contractor market, high-end professional, etc.

“ My key measure is ROI so I'll always look generically at the property and what value can be added through development ”

YPN: When you're assessing HMO deals, what do you take into account: cost of purchase, refurbish costs, price point per room?

Nick: My key measure is ROI so I'll always look generically at the property and what value can be added through development. For me, it's all about the return on the capital left in the deal and I've often paid the asking price if I know there is scope for significant development, e.g. extension at the back/into the loft. One also has to consider what market you will operate in, i.e. you might choose to spend more on the specification but in turn generate higher room rents.

YPN: With the HMO market maturing, have you noticed a change in attitude from the council?

Nick: Apart from the new national HMO regulations, Additional and Selective licensing has been introduced in Bristol, and currently being expanded. The council has tightened up and they're very particular on things like parking and bins – the latter seems to be the major thing they're clamping down on. When you're applying for change of use or planning, there are a lot of hoops to jump through. However, to realise some opportunities you have to go through an element of difficulty so sometimes, it's looking at opportunities that aren't always easy to maximise. The beauty of property is that there is such an array of opportunities, but it's important sometimes to find a little bit of a niche.

YPN: What systems and procedures have you found useful in running your HMO business?

Nick: We have found that the key is getting the marketing right, so we focus on providing really good photos, videos and copy. Speed of response to tenants is paramount. If you're advertising on SpareRoom, it's all very well putting the advert out there but you've got to respond quickly to people. Whether they're messaging during their lunch hour or in the evening, it's really important to get back to them quickly. In addition, it's important to organise viewings when tenants want them, not just when you want to do them. So we've got a brilliant property viewer who works around school hours and has a flexible timetable to aid viewing, which is great.

We also invest in good management software. We do a lot of regular inspections of the properties using iAuditor. The upkeep of the property is really important in both protecting the asset and ensuring a good environment for our tenants, and we make sure that things like bins and recycling are properly managed. We usually try to get a lead tenant to help manage that process. We go paperless where possible e.g. getting online signatures with Signable. These days we collect rents via direct debits using GoCardless. For safety, we've got alarm fobs for our team if they're on viewings just in case there's ever any problem.

What we've tried to do is create experts within the team. So we've got one person who's really skilled at viewings and selling rooms. Someone else who's really capable on the admin, doing the check-ins and making sure things are done promptly and efficiently. Maintenance is a dedicated function and we measure response times to repairs. Our finance team is second to none in ensuring rents are loaded and landlords are paid really promptly. So, I think having all of those functions being done by the right people is crucial.

CASE STUDY #2

Shirehampton

The property. Commercial property on Shirehampton High Street, Bristol. It was previously a travel agents' with office space above. Traditional HMO opportunities have become harder to source in Bristol, so changing the use of commercial properties offers greater opportunity.

Strategy. We have got planning to change to an eight-bed HMO, and are changing the retail to a flexible use of A1, A2 & B1. Work is underway. All eight beds will be en-suite, four with kitchenette facilities. The retail unit will be rented out.

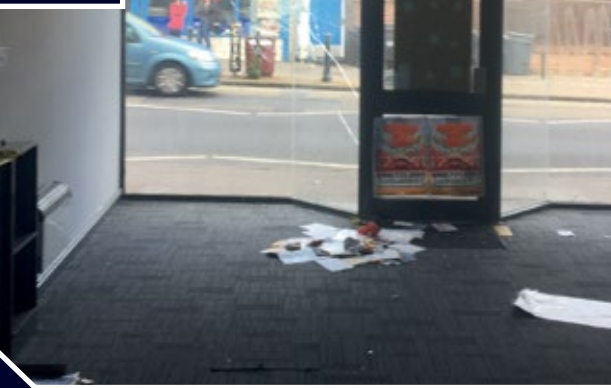
Purchase price (auction): £260,000
Purchase costs: £10,000
Total purchase, inc costs: £270,000

This was bought at auction which is unusual for us these days – we've sold at auction more recently but not bought at auction for five years. However, we have a good relationship with local auctioneers and get notifications of suitable properties.

The market value of this property is probably around the price we paid, but the real value is in the conversion and change of use to create a higher end valuation and income.

Estimated end valuation based on HMO
@ 10% yield and shop at 7% yield:

£552,000



Funding. Total cost is being met through private investor loans. The main loan of £240k for purchase was provided with a 1st charge, then subsequent loans will pay for the refurb. Cash to buy through a private loans works best here because of the speed required to complete (post-auction). Also, the condition of the property would have made getting an initial mortgage harder.

Initial loan for purchase: £240,000
Private loans for refurb and other costs: £244,000
Borrowing rates pa: 8%-9%
Total cost of finance: £24,500
Personal money in: £0
Post-works valuation: £552,000
Remortgage after refurb: £414,000
Rate: 4.5%
Personal money left in after remortgage: £70,500
Monthly income – 8 @ £525 + shop @ £700: £4,900
Monthly mortgage payment: £1,552
Monthly bills: £600
Net monthly cash flow: £2,748
Return on money left in: 46%

COST OF WORKS

Duration of project, incl planning and refurb: 8 months
Refurbishment works and professional costs, to include: £190,000

- Two traffic surveys
- Planning
- Architects' fees
- Major back-to-brick refurb – structural works, new roof, insulation, eight en-suites

Total costs: £484,500



YPN: Obviously you've moved from working for an employer to running your own property business. How difficult has that transition been?

Nick: I found it quite hard actually. I was in full-time employment and I then gave up the job to make the leap to full-time in property. However, I was juggling too many balls. I was trying to buy properties, moving house, starting a family all at the same time, which is not really the way to do it. I think what I did learn is that you have to entrust others and you develop a lot more when you work with other people and find the right partners. You realise you can't do it all yourself. So, it's really important that to stretch and grow faster, you have to work with others. I therefore had to really learn to let go, find the right partners and put my faith in them!

YPN: Aside from the LHA model and professional HMOs, what investment opportunities are you focussing on?

Nick: The HMO market is maturing so we have had one eye on the future and have been looking to do other things. We still convert properties to HMOs but what we've been doing more recently is looking at different types of properties. Instead of just buying traditional houses to convert to HMOs we've been looking particularly at retail units on the high street with accommodation above them. We've then been getting planning to convert them to residential (HMO) units whilst retaining the retail premises. It's a less competitive market and often the retail units are falling into disuse and disrepair so it's bringing life back to some of the high streets.

Another project is a house and plot of land we secured from the local council in Filton, North Bristol. We split the site, sold the house at auction, and are now awaiting a planning decision to build eight flats on the land.

YPN: Can you highlight a mixed-use development with a case study?

Nick: We purchased a commercial unit with upper floor offices in Shirehampton, a Bristol suburb, and have obtained planning permission to turn it into an eight-bed all en-suite HMO with four of the rooms also containing a kitchenette (see case study 2). We'll keep the retail unit below and rent it out. The property was bought at auction and it's a significant refurbishment costing £190,000 inclusive of professional fees. Two traffic surveys were required to satisfy the planners that there was sufficient parking in the area. Net cashflow will be around £2,700 per month with a healthy ROI of around 46% after refinancing out based on an end value of £552,000.

YPN: A significant percentage of your funding comes via private investors. Can you share some tips on how you raise finance?

Nick: We've borrowed quite a lot of private investors' money. In fact, the Shirehampton project been funded entirely by private investors and we'll refinance commercially through Lloyds Bank. It's really just been a case of letting people know what you're doing and the opportunities we have. The initial loans were all from either family or friends and that's evolved to other contacts and friends of friends. Initially, I was very uncomfortable about going out and asking for money. However, when I was repaying loans and preparing the interest statements on a few of our early loans, it finally occurred to me that our investors were doing really, really well. So the secret has been presenting people with an opportunity rather than going out with a begging bowl.



For people to invest with you, there has to be a high level of trust and credibility. You need to know what you are doing and offer clarity to the investor, e.g. length of loan and how it will be repaid back, and when monthly interest is paid. You also need to look at it from their point of view, i.e. what security do they want? What security would you want if you were lending money? Finally, you'll need good communication skills in terms of keeping in touch especially if things will take longer than originally planned.

We have one investor who is a friend of mine. I had no idea he had any money to invest until we went on a football tour and I sat next to him. We spoke to each other about what we did and since then he's lent us £1.6 million. So you never know where opportunities are going to be. It's just important to talk to people and keep talking about what you do and what opportunities you have to offer.

YPN: Apart from your property investment businesses you are also host of the Bristol pin meeting. Tell us more about that.

Nick: Bristol pin has been fantastic and I thoroughly enjoy it. I'm in my sixth year now as the host and the meeting is one of the largest property meetings outside of London.

It's been very good for me personally in terms of getting to know a lot of different people and

building contacts. I used to be absolutely petrified of public speaking, which is one of the reasons I wanted to do it. It's also a fantastic opportunity for attendees to learn what's going on in the property world and learn from the guest speakers. Bristol is an expensive place to invest, so it's also an opportunity for attendees to get reassurance that things can work in Bristol as long as you adapt the strategies to your local market.

YPN: As if you were not busy enough, you have also become the facilitator of Bristol Mastermind Local.

Nick: Bristol Mastermind Local has evolved from Property Mastermind programme. We've finished the first programme and are about to start the second one. It's a small group of between seven and ten people who really want to ramp up their property investing. It's a one-year programme and attendees get regular workshops, coaching and access to national events. For me, it's a fantastic way of seeing people grow over the course of a year in all sorts of different ways from wherever their starting point is. It's also an opportunity for me to pass on some of my local experiences to facilitate and lead a group to grow together. The ethos is that everyone helps each other.

YPN: So with one eye on the future, what are the objectives of your business in the next few years?

Nick: First and foremost, we want to be providing good quality accommodation in Bristol and being first class in whatever sector we're operating in. With the business and the portfolio, I've got a real desire to protect it, i.e. bullet proof it financially. Over the long term my plan is to start paying down debt. We're also restructuring this year and incorporating some of the portfolios. As part of the restructuring, I'm selling a few low-yielding properties and reinvesting the money.

YPN: If you could offer advice to someone starting out in property, what would that be?

Nick: My key advice is that you can't do it all yourself so get the help of others. Invest in yourself as well because doing that will be the best investment you'll ever make. Over the years I've become much more interested in my own personal development so I read and listen to a lot of audios. Some of the classics have been Steven Covey's, *"Seven Habits of Highly Effective People"* and Dale Carnegie's, *"How to Win Friends and Influence People"*.

Click here to listen to more from Nick

TARA COLEY

WHAT HAPPENS AFTER FINANCIAL FREEDOM?

From London life to country living'

Interview & words: **Heidi Moment**



“My new simplified life means I have more time for my family and I’ve even taken up tap dancing again”

The last time we spoke, in December 2014, Tara had achieved financial freedom in just 18 months through building an HMO and multi-let portfolio in London. These days life has taken a completely different route and although Tara's life seems to have slowed down her business certainly hasn't. We enjoyed finding out all about it...

SINCE WE LAST SPOKE

The first time I was interviewed I had just achieved my goal of financial freedom in 18 months, earning £10,000 a month passive income. It's no surprise I almost killed myself in the process. Don't get me wrong, it was great and I'm glad I did it because after the birth of my son I definitely didn't want to go back to my job, but I couldn't have kept going like that. It isn't healthy and I certainly never want to burn myself out like that again.

Since then I've continued to evolve and progress. I'm a great believer in mastering one strategy at a time, and then systemising it and moving on. The last time we spoke, I was doing HMOs/multi-lets.

“I tend to spend about 18 months on one strategy and each one has evolved from the next”

I had five super-HMOs (eight-plus beds) then I diversified the model a little and got 18 multi-lets (changing a three-bed-house into a four or five-bed HMO). We then added on a number of rent-to-rents too.

I also did portfolio building for a time, to bring in more cash, as well as some residential flips. It's been pretty full on and very exciting, but the biggest change for me was the decision to move out of London.

IS THERE LIFE OUTSIDE LONDON?

I've lived in London all my life. It's all I knew. But after the kids arrived I started thinking, “Do I want them to grow up in a city or do I want them to have a quieter life, with more freedom?” I dreamed of living in the countryside, and as my son was coming up to school age, I just thought, “It's now or never.”

Fortunately we were in the financial position where we could live where we wanted. My portfolios and investors are in London, so it was a bit nerve-racking really. I think most people who grow up in London wonder if there is life outside of London. I'm really pleased to say there is.

SLOWING THINGS DOWN. MAKING LIFE MORE SIMPLISTIC

Moving to the New Forest was a really big decision for me. I wanted to slow down. A lot of my projects were coming to an end and I started thinking, “Why am I doing this? How many is enough? Do I want to do something else? Do I want to give back a bit?”

So, I went through the process of simplifying a lot of things; changing strategy, only working with a handful of investors, and saying “No”, which was really hard for me. I didn't want to end up being burnt out, like a lot of people I see in property circles. I wanted to be successful in all facets of my life and that meant having the time to do the things I wanted to do. I wanted to create a balance, prioritising spending lots of time with my kids, who are five and two, and to travel.

TAKING TIME OUT FOR MYSELF, REGARDLESS OF WHAT IS GOING ON

It's hard to find time for yourself when you're so busy being everything to everyone, and with so many people relying on you, it can sometimes feel impossible. So I've created something I like to call ‘Wonderful Wednesday’. No matter what's going on I get

out of my house for a while - for a coffee, lunch or a walk. I love my own company and it's really important for me to make sure I get that alone time. I encourage everyone to do the same.

“ It's essential to take some time for yourself each week ”

My ethos is living a wildly, simply free life. I created my facebook group to encompass this. It's a brilliant group. We discuss all things property but we also focus on the importance of balance and looking after yourself, which you don't see that much in property circles.

OUR NEW HOME AND A FEW HOLIDAY LETS

When we made the move we used the buy, refurb, refinance strategy on our main home in London, which ended up paying for our New Forest home, which was great.

I approached choosing our new home the same as I do with all my properties – from an investment perspective. I always had at the back of my mind that if we didn't like the New Forest for any reason and needed to backpedal, we would need a back-up plan. I spent a lot of time while the kids were asleep studying the area, what postcodes work, looking at the square-footage of the floor plans, working out the price per square-foot, which ones offer more value etc.

“ You can make property work anywhere, it's just a case of re-learning areas that work ”

I found a lovely chalet that I knew would make a lovely holiday let, so if we decided to move back to London we'd still make our money. The capital growth on the South Coast is a lot slower than London. Obviously you can't rely on it so I wanted to protect our family from being a negative equity.

I'm pleased to say we love our new life so after we bought our family home, we decided to buy a few more, replicating what we had done and renting them out as holiday lets, but with slightly lower values because we wanted the yields to be good. The New Forest is a beautiful place to go on holiday so we're making an excellent return on our investments. Plus they're easy to manage because they're not far from me.

It did take a little while to build up the team because I was starting from scratch, but now I have a great team who take all the bookings, go in to do the change-overs etc. I do spot checks occasionally, checking myself in for a night every now and again, just to make sure that everything is working really well. But other than that I don't really get involved, apart from tweaking the systems. It's all about having the right team.

New Forest Holiday Lets





CASE STUDY

Burnell House Stan-

The Property

The upper two floors of the Stanmore library. A standalone purpose built 1980s office in a huge red-brick building comprising 19,500 square feet.

With commercial-to-residential deals there's often a lot of competition, as everyone is trying to take advantage of permitted development. There are loads of developers at every viewing competing to get the deals. We were lucky with this one, because my JV partner spotted the value in the roof void that no-one else seemed to notice. He moved one of the ceiling slabs and saw how much space there was up there – enough to fit 11 apartments – that was a game-changer for us and we secured the deal by offering a bit more, factoring in the extra GDV from the additional apartments.

Location

It's in the borough of Harrow, 10 miles from the North West of London, within the M25. Very desirable and walking distance to the station (at the end of the Jubilee line).

Strategy

We're going to create 39 one-bed apartments. They will be micro-units, which are quite small and aimed at first-time buyers. We want to create as many opportunities as possible to help people to get on the property ladder and use the government help-to-buy scheme.

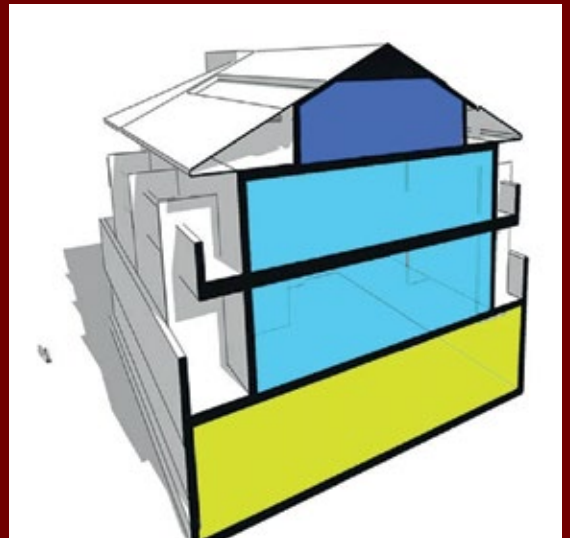
In that area one-beds start from £320,000+ and ours range from £285,000+. So they are very competitive and we're quietly confident they'll sell.

Permitted development

As my first big commercial development I wanted to make sure the works could be done under Permitted Development so it would be as low-risk as possible with no problems with planning delays etc. We've got a fantastic planning consultant who was able to guide us through the process, and get it passed. He seems to have the golden touch.

Once you submit your PD scheme to the local council, they've got 56 days to make a decision. And if they don't, it automatically gets approved.

“Setting up systems can be painful, but once they're up and running it's worth it”



The Numbers

- Purchase price (incl. all costs): **£4.5 million**
- Total costs including all refurb, acquisition, and sales costs: **£7 million**
- Estimated end value post refurb: **£11.5 million**
- Estimated profit: **£2.6million**

Selling off-plan

Choosing the right agent has been interesting. We had an 'estate agent beauty parade', where we literally spent a whole day meeting agents back-to-back. We met local and commercial agents, and tried to get a flavour of who is going to be able to push the scheme and get the right buyers in, what their back-end process is like, what they are doing differently, their pricing, etc.

We know that without the right marketing we're just not going to sell these units, so we're going with the agent whose marketing strategy we liked the most. The plan is to sell them in three phases. The first phase will be brought to the market in the next four to six weeks (at time of writing). We're going to have super slick brochures and a big open day, to ensure that we attract a good contact base to really promote the units.

Works include

- Full strip-out over the first and second floor, including knocking down partition walls throughout
- Creation of bike storage
- Creation of bin store
- 2nd floor ceiling removed exposing roof void for third floor addition
- Compartment partitioning along with standard internal partitioning on all floors to create 14 apartments on both first and second floors and 11 on the third
- Roof removed and new roof added with slight change in elevation (planning gain)
- New double glazed aluminium frame windows throughout floors
- 26 rooflight windows to be added to third floors
- A number of internal bedrooms constructed with really cool LCD glass controlled via a switch and mechanical ventilation system
- Fitted bedroom wardrobes throughout
- New staircase leading up to third floor
- Alterations and additional drainage system/ rainwater system
- Steel reinforcement throughout
- All supplies (hot and cold water, gas, electricity etc)
- Alarms/video control system
- External/internal lighting systems
- Ventilation systems
- Heating system
- Upgrading lift system
- Upgrading staircase
- New fire systems
- Fittings of kitchens/bathrooms to high spec
- Dressing of showroom flats

Timescales

We purchased the building in January last year. It was tenanted when we purchased it, but the tenants left by November/December, and we were straight in this January doing the strip-out. We're hoping to be finished and everything sold by December this year.

Working with trusted partners

Working with a lot of investors at once can be quite heavy lifting, so, on this particular project, I only wanted to work with people I know really well, who have the same values and who I've worked with in the past. When I presented this opportunity to trusted partners they were happy to go for it as we had already built up the trust over the years. Also a lot of them wanted to earn and learn, so this is a great project for them to be able to come onto site, see what we're doing, ask questions, and get involved.

When you find the people that you work well with, life becomes a lot easier. You don't need to look for new investors as much because you've already got your bank of investors that are happy to work with you.

GOOD SYSTEMS & A GREAT TEAM MAKE MY LIFE EASIER

During the first 18 months when I was working on creating financial freedom, I had no systems and no team. It was so hard. I cried every month. I had paperwork coming out of my ears. There was a big backlog of stuff I wasn't quite ready to deal with and everything was an absolute mess. So I got a PA and she helped to deal with that pain, but I didn't really set up proper systems for about nine to 12 months.

I set up my own HMO management agency in London, because I couldn't find a decent one who worked how I wanted them to. That slowed me down quite a bit and was pretty painful, but I'm benefiting massively now. My team are awesome, systems are in place, and our void rates are really low. I have minimal involvement in the management of the HMOs. We have a Monday morning huddle to touch base and discuss the focus for the week, and then on a Friday we have a 15-minute check-in. It's good to make sure everyone's happy and any issues are not snowballing out of control.

Everything else is systemised too and doing everything virtually allows me to travel when I want. We've just spent three weeks in Thailand and we're going away for two and half months in the summer, something we hope to do each year. I'm paperless now too, so I don't open my post anymore - it all gets scanned and put into folders, and I get sent what I need to deal with. I've got someone making phone calls for me. This is for my personal and business life, which is great. I have a bookkeeper and an accountant that do most of my finances, although I'll never fully let go of them. I always know what's going on with that.

Virtual assistants have been great for me, as they can be used quite cheaply. It's all about leveraging them properly. Mine are in the Philippines and the Ukraine - they're brilliant. They've been with me for years and I think it's just about how you manage them, how you reward them, and making sure that you're super clear with what you want them to do.

TIME FOR SOME BIGGER PROJECTS WITH BIGGER PROFIT MARGINS

Happy with the cash flow being brought in from the HMO and rent-to-rent portfolio, I decided it was time to focus on projects with bigger profit margins.

I'd done a few residential flips, which were great, but with the current climate we're in and Brexit, the market has really slowed down and the margins on residential flips are reducing. You can't be 100% sure where anything's going to be in six to 12 months' time.

“The business is systemised and I do everything virtually”

“When agents start calling you a lot you know that the market's slowing. And that's happening often at the moment”

TIME TO GIVE SOMETHING BACK

A few years ago I watched a documentary called 'Murdered By My Boyfriend', and it really moved me. I decided to look into it a bit more and was horrified to find that two women die each week in the UK due to emotional and physical domestic abuse. One of the reasons is there have been a lot of funding cuts and refuges are closing. Over 150 women and children are being turned away every day because there's just not enough refuge space. I couldn't believe it and really wanted to do something to help.

After doing all my HMOs I figured it couldn't be that difficult to open a refuge, and help to save lives. So I spent a lot of time reaching out to different charities and trying to find out what they needed and if they were interested in working with me. One charity responded, and their head office happened to be on the next road from where I was living at the time. I call that fate!

They had a number of refuges but needed more and were looking for the right buildings to match their criteria. The buildings need to be under surveillance at all times, and they also need, *"as many rooms on the ground floor as possible, because a lot of the women that come in can't walk"*. That just blew me away and I thought, *"I will find you a building"*.

The charity had some money aside to be able to lease properties but they just couldn't find the right one. I spoke with my broker and we arranged it. It's a high-risk area, so many lenders won't lend, but we managed to find a few. As it was more bespoke it meant it was a little bit more expensive; I just had to factor that into the numbers.

The work the charity does is phenomenal. I have a really close relationship with them now. I wanted to do more, rather than just hand over the keys so I continue to be involved, taking the kids to Alton Towers and arranging for clothes and other supplies to be taken to the refuge for the families.

CASE STUDY

Women's



The Property

Run down, four-bed Victorian property

Strategy

To make a secure and homely safe house for women fleeing domestic abuse through converting a four-bed house into a six-bed HMO.

Works completed

We created a six-bedroom refuge with each room being a generous size for women and their children. A lot of women and children are turned away from refuges due to a lack of space. I wanted to create a lovely refuge with larger-than-average rooms so families get a really nice place they're happy to stay in.

We managed to create huge uplift in value due to creating two additional bedrooms, a utility room, family bathroom and open plan kitchen/living space.

WORKS INCLUDED

- Full gutting of building
- Attic conversion to create additional bedroom under permitted development
- Creation of additional downstairs bedroom through extending out of the building also allowing us to enlarge living/kitchen area
- Creation of multiple en-suites
- New electrics throughout/plumbing/running of gas supply
- Addition of utility room
- Bike shelter
- Garden landscaping
- New kitchen/bathrooms
- Plastering throughout
- Repainting
- Spot lights throughout
- Replacing rotten joists
- Family bathroom (important for the children to have baths)
- Lobbies before each bedroom at the request of building control

Refuge guests

When the women come to the refuge, they usually stay for six months, on a licence. The saddest part of it is, statistically, a woman usually returns to their perpetrator 11 times before they actually leave. That just goes to shows their emotional state, and where they're at, especially leaving their home, not having any money, taking their kids to a refuge, sometimes they just come with the clothes on their back.

The rent is covered by the charity but is actually funded by the government. Every woman that comes in qualifies for housing benefit as well as certain supported allowance on top, because they're high-risk and they're vulnerable.

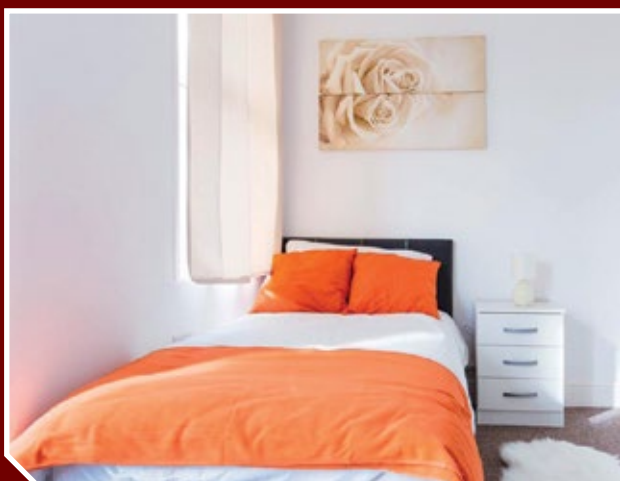
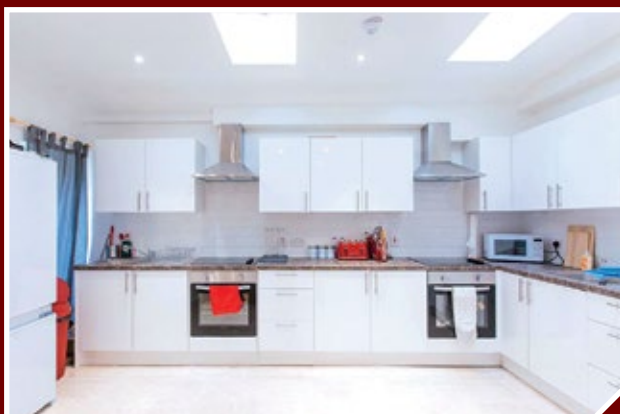
"We're putting all the profits into the next one"

The Numbers

- Purchase: **£283,000**
- Refurb, acquisition: **£132,000**
- End value post refurb: **£720,000**
- Monthly rental income: **£3,500**
- Monthly bills: **£500**
- Monthly profit: **£1,800**
(going towards the next one)
- Money recycled out **£272,000**

"I spent £30k more than I would usually spend on a HMO, as there were things we wanted to get just right for the families"





You can find out more about holiday lets/serviced accommodation and the commercial to residential strategy from YPN Bitesize.

Bitesize Serviced Accommodation

www.yourpropertynetwork.co.uk/club/bitesize-sa

Bitesize Commercial to Residential

www.yourpropertynetwork.co.uk/club/bitesize-c2r



WORK WITH PEOPLE WITH OPPOSITE SKILLS TO YOU

I've got some great partners that I work with and they are so good at what they do. What I've learnt is that in order to grow you need to partner with people. We all have different skillsets and bring different things to the table. Although I have different projects on the go, I'm not 100% doing every single project. We split the load between us, each doing what we're skilled at within each project.

I like finding projects, negotiating, deciding what to do with the actual project, looking at the floor plans, and coming up with the design. Then one of my partners will do the management of the refurbishment and working with the contractors, as I don't get excited about that. But I light up again when we start talking about the kitchens, fittings and dressings. I don't enjoy doing the figures but I'm lucky because my husband's super analytical, so he triple checks everything I do, adding in any extra details and checking if I've missed anything. And my team pulls everything together for me. No losses so far so I must be doing something right!

FUTURE PLANS

I plan to continue opening more refuges whilst giving my investors a great return, alongside high-yielding holiday lets, commercial to residential conversions and multi-lets.

I also want to help more people achieve financial freedom by following the process I went through. I've worked with many people already and have seen some great results – it's wonderful watching people smash their goals.



Tara
COLEY

Click here to listen to more from Tara

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TUSHAR SHAH

PROPERTY INVESTING WITH CARE!

How the Day Job Can Influence the Property Strategy

Interview & words: **Angharad Owen**

Tushar Shah was last seen in the pages of YPN back in 2015. For those of you who aren't familiar with his story, he is a co-founder and director for Centrum Group, and is a healthcare and property entrepreneur. His business partners are his brothers-in-law, Amit and Mehul Shah. He has run his own businesses for over a decade, and previously had a career in corporate sales and marketing. Amit and Mehul come from financial backgrounds in the City.

Their main business, community care for the elderly and disabled, has grown and developed alongside their property portfolio. They completed Simon Zutshi's Mastermind programme a few years ago and built up a significant portfolio during that time by investing the profits from their healthcare business. In all, their portfolio now comprises of HMOs, single lets, blocks of flats and they have also completed £7m GDV of developments.

We're delighted to catch up with him this month to see what he's been up to and what he's achieved since we last spoke.

Let's pass you over to Tushar ...

2015 was an amazing year for us – we completed on some great developments. We found ourselves exceeding our expectations and smashing our goals. Then, George Osbourne started making his changes. We began to wonder how we were going to adapt to the changes in the sector, as the market appeared to be slowing down. During this time one of our initial conversions where we turned a house into three flats only made us £60,000 profit as opposed to the £150,000 we were anticipating.

We noticed people were paying far more for developments than what we were seeing as a financially viable opportunity. At this point we stepped back and focused on what we wanted to achieve within development and our overall businesses. But we couldn't find the right deal to stack up.

In his book *The Millionaire Master Plan*, author Roger Hamilton discusses his model on different levels of wealth.

“We focused on finding businesses that were small and family-run. Ideally, motivated sellers”

One of the key points was that we needed multiple teams to scale our businesses. Our healthcare business didn't have a team to manage it when we were out doing more on the property side. This was potentially stopping us from being able to grow.

Throughout 2016, one of my partners and I were more involved in the healthcare business and restructured it as if we were to completely start again. With the help of our team, we transformed it and grew turnover by 65%. It put us in the top 1% of care companies in the UK with our “Outstanding” rating from CQC. It was a very positive experience for us and gave us the confidence to kick it up a notch.



COMBINING PROPERTY AND HEALTHCARE

During the restructuring, we realised that we were very good at property, and very good at healthcare. We began to wonder if it was time for us to start combining the two. That's when we started looking at care homes rather than development – there were many more opportunities available, and various angles we could focus on.

We first saw the first glimmer of reward for changing strategies just before Christmas 2017. We exchanged contracts on two care homes.

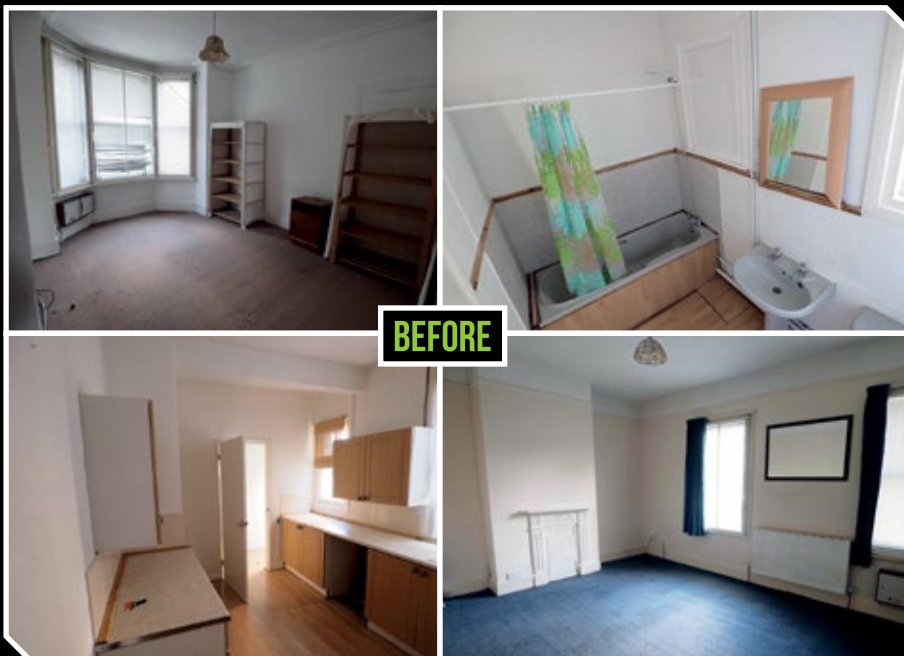
Our residential portfolio is in Reading, Birmingham and parts of London. Naturally, we wanted care homes in the same areas but property values were too high. But with care homes, if you get the right team and the right structure of business, it's possible to grow and manage it from a distance. We started looking in the South West – from Bristol all the way down to Cornwall. The two care homes we have exchanged on are on the coast of Devon. We will be completing at the end of April (at the time of writing) and taking over the management from there.

Bluebird Care, our business, started out by providing a service to care for the elderly and disabled in their own home, so it was a natural path for us to follow. Our properties in Devon are our first venture into residential care homes.

We focused on finding businesses that were small and family-run. Ideally, motivated sellers. It's important to note though that banks are not lending into this sector if you don't have experience. It's a very heavily regulated industry, therefore it's necessary to be hands-on and to find the right team and infrastructure. The regulation also has created barriers to entry which means that currently it is a buyers' market.

CASE STUDY #1

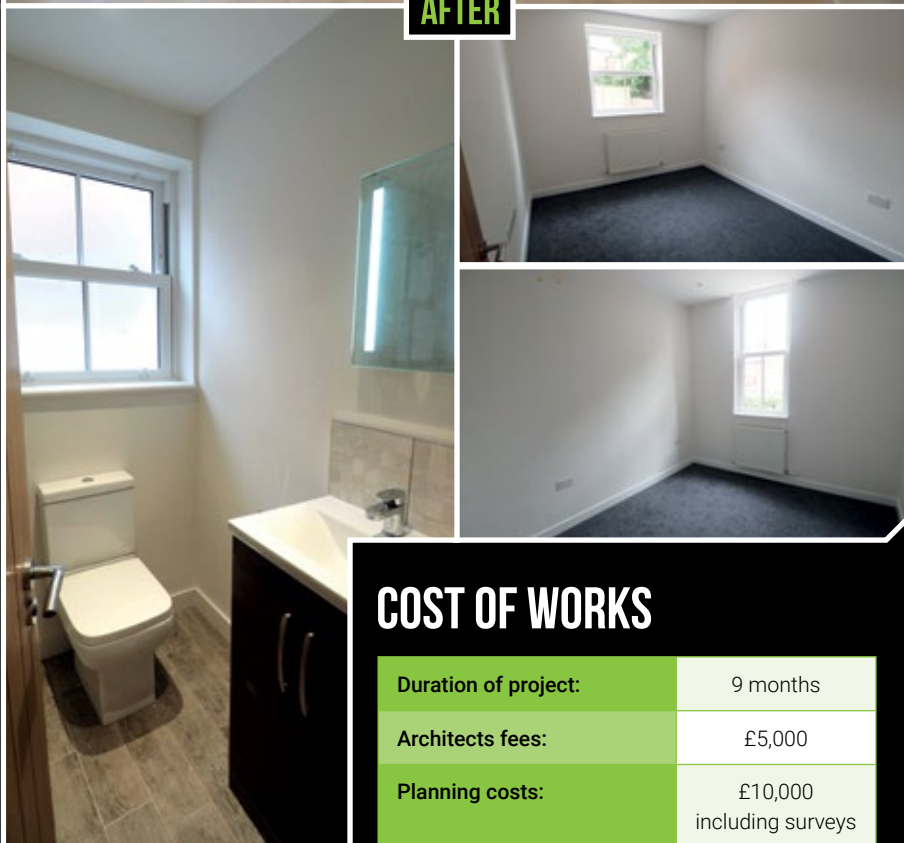
London Road, Reading



BEFORE



AFTER



COST OF WORKS

Duration of project:	9 months
Architects fees:	£5,000
Planning costs:	£10,000 including surveys

Type of property:	Block of Flats
Strategy:	Straightforward purchase
Purchase price:	£225,000
Open market value:	£275,000
Purchase costs:	£4,500
Funding method:	100% investor financed
Amount of funding:	£470,000
Borrowing rate:	6%
Total money in:	£470,000

VALUATION & INCOME

Post-works valuation:	£575,000
Re-mortgage amount:	£437,000
Rate:	3.75%
Money back out:	£437,000
Money left in:	£33,000
Monthly income per unit:	£2,650
Monthly mortgage payment:	£1,375
Net monthly cash flow:	£1,275
% Return on money left in:	46%

THE CARE HOME SECTOR

Demand for care home rooms is increasing and the industry isn't able to keep up. There is a significant shortage of good quality homes in the country. Furthermore, approximately 60% of care homes are owned by families, many of whom want to retire. The government doesn't specify minimum standards for existing care homes – as long as they are delivering and managing a good level of care. However, if you're building a new care home, or reopening one, it needs to meet current building regulations. The cost of upgrading it to current standards is too much in many cases - that's the reason why so many old care homes are on the market.

I also believe that so many of these homes close because there is no focus on developing, managing and recruiting staff and systemising the business. It's not because the building is in a poor state of repair or the business is not viable. They've simply not got the right management in place and not enough staff, therefore the levels of care are falling.

There is an opportunity to acquire a care home if it is at the risk of closing. Vendors are motivated to sell at an attractive price as they don't want their residents to move to another home. But if the business has folded, the building is sold on land value rather than commercial value. It's important to bear that in mind when evaluating and negotiating on care homes.

When we look at a home, we consider it on two levels. One is the sale – how much is the building/business worth? We bought a business that was in administration which had been valued for £3m, but we got it for £1.2m. If it's still operating, we look at the cash flow. Is it making enough profit to make it a worthwhile investment?

It can be profitable, but only if you understand the business. And like I keep reiterating, make sure you have the right management and the right team. We were attracted to this particular home because it had been in administration for three years but was still making a profit. It wasn't a poor care home – the previous owners were found out to be committing tax fraud!

The information was all available on Companies House. Due diligence is always important and will enable you to make quick decisions and secure a good price.



UPGRADE OR CONVERT?

Care homes can be upgraded in a multitude of ways, if I'm looking at it as an opportunity from a development perspective. As I've mentioned previously, an old building that has been closed down is highly unlikely to be reopened as a care home again as the costs of reconverting to meet current regulations are too high. There's the obvious opportunity of converting the building into apartments. But there are also other opportunities that may be overlooked, such as turning it into sheltered accommodation or retirement apartments. But there is a cost involved in converting care homes which needs to be factored in. The council must be notified and it needs to be clear that it is uneconomical for the care home to be reopened. A good planning consultant will be able to advise accordingly.

We identified that we could increase the cash flow of the two care homes by adding an extra five bedrooms. It will cost £200,000 to do so, but each additional room will provide an income of £40,000 per year. Within one year the upgrade will have paid for itself and profitability of the home will be increased by £200,000.



“We love a challenge, and we still dabble in HMOs when the model works”

INVESTING IN BLOCKS OF FLATS

On the “pure” property investment side, we started out with HMOs. We've now moved into acquiring blocks of flats. After calculating the time and money invested, we found that they were a much better investment for us due to our business commitments. Over the past two years we have acquired five blocks of flats. We are still adding to the portfolio but not as aggressively as before.

Focusing on blocks of flats gave us the opportunity to look for properties that could either be converted to provide additional flats, or existing blocks that could be upgraded to add value. Simple changes such as adding another bedroom or finding an extra studio or apartment in the lot. The cash flow is good and we have a good management system in place.

We love a challenge, and we still dabble in HMOs when the model works. The property on Poplar Avenue had originally been bought by a developer to be converted for him to sell on. But he ran out of money half way through and the

bridging company were going to put it into repossession. The garden was covered in what looked like Japanese Knotweed, which put many buyers off. We got a survey and it turned out not to be Japanese Knotweed but bracken! It would cost about £3,000 to remove it, so we bought it. We achieved planning to convert the main building into a high-end eight-bed HMO and to convert the coach house into two flats.

We completed in January 2016, bought it for £315,000 and we're achieving 13% yield. All the rooms were taken within a week and a half of it going on the market. The deal was funded through investor loans and then refinanced on a ten-year fixed mortgage.

LESSONS LEARNED

Don't get emotional

We have a full management team to manage our property business for us on a day-to-day basis. The one lesson we took away from the big restructure is that it's easy to become emotionally attached to your properties and tenants. Because we have multiple businesses, we had to stop becoming emotionally invested and start being focused on what the key numbers were and where they stood in helping us achieve our goals. It allowed us to think more strategically and focus on looking at the return on equity, capital and growing the business.

Many of our tenants have been with us for three to five years, it's natural to develop a relationship with them. It's important to be sensitive and understanding of their issues and concerns. Communicating and explaining business decisions that may affect them must be a priority.

CASE STUDY #2

Croft Lodge and The White House, Teignmouth



Type of property:	Care home
Relevant history:	Care home was in administration due to tax fraud
Purchase price:	£1.2m
Open market value:	£3m
Purchase costs:	£75,000
Funding method:	60% financed by Metro Bank. The deposit has come from a 50% sale of the business to investors
Deposit paid:	£480,000
Amount of funding:	£720,000 from bank as well as a £50,000 overdraft
Borrowing rate:	3.5%
Total money in:	£555,000
Duration of project:	6 months to complete



VALUATION & INCOME

Post-works valuation:	£2.25m
Net monthly cash flow:	£350,000 per annum
% Return on money left in:	63%



CASE STUDY #3

Poplar Avenue, Birmingham

Type of property:	HMO
Relevant history:	The property was a lovely home that had been bought to develop. They ran out of cash halfway through and had to sell on. It was bought on bridging finance so vendor was motivated.
Strategy:	We purchased the property to convert to an 8-bed HMO. We applied for planning for bungalows in the back garden but was refused. We have a pre-app approval to convert the coach house in to two flats.
Purchase price:	£315,000
Open market value:	£350,000
Purchase costs:	£5,000
Funding method:	100% financed with investors at 10% per annum
Amount of funding:	£420,000 (£100,000 for development cost)
Borrowing rate(s):	10% paid at end. We refurbished the property within 4 months. Thereafter the rental income covered the finance cost whilst we refinanced out.
Total money in:	£420,000



VALUATION & INCOME

Post-works valuation:	£500,000 RICS Valuation
Re-mortgage amount:	£375,000
Rate:	3.99% fixed for 10 years
Money back out:	£400,000
Money left in:	£45,000
Monthly income per unit:	£4,400
Bills included?	Yes
Monthly mortgage payment:	£1,350
Monthly costs:	£600
Net monthly cash flow:	£2,450
% Return on money left in:	65%



COST OF WORKS

Duration of project:	4 months
Architects fees:	£600
Planning costs:	£1,200 – Pre-app and planning for 8 bed HMO
Planning duration:	3 months
Environmental report:	£300
Total cost of development:	£100,000

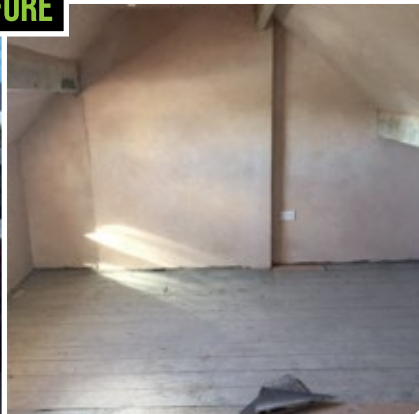
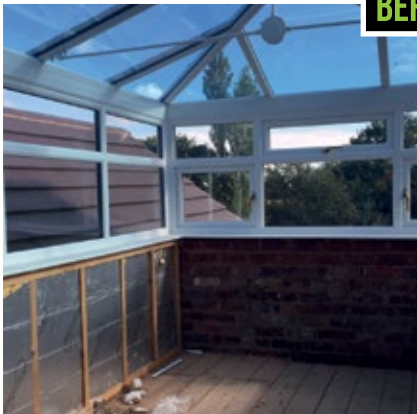
After reading about these investors you can't help but wonder whether the whole "become financially free and go live on a beach" thing is a myth. That might be an incentive for some to start investing in property, but the reality is that many of the people who succeed and achieve financial freedom end up with the entrepreneur's "curse" of never stopping. They might be bitten by the property bug or natural go-getters, but rarely do they sit back and rest on their laurels. No way. They're up for a new, exciting challenge.

The nature of the challenge varies according to the individual. Some, like Tara, lean towards altruistic ventures; others go on to build upon their investing and turn it into a property business. That business may be a family concern or more akin to the style of a corporate. Regardless of the endeavour though, it is met with enthusiasm and drive – likely the very drive that caused the individual succeed in property investing in the first place.

Where are you right now? You might be close to financial freedom, starting out or somewhere in between. You might even be among those who have achieved freedom and started a new venture. Whatever point you're at, sit back for a moment and reflect on what you've achieved over the past couple of years. Even if you're just starting, acknowledging your successes in other fields can help you be confident that you can succeed in property, too.



BEFORE



Make sure the spend is worth the result

The London Road flats in Reading was a good deal on paper. The property had previously been converted into two one-bedroom flats, which we bought for £235,000. We put it on ice for a few years and let it collect cash flow as we had quite a lot of development going on at the time. When we wanted to begin developing them, and we had two options. One; refurb and sell them off individually or two; convert into three one-bedroom flats. In theory, the latter was going to be the most profitable, so we went ahead with the conversion.

But it didn't work out that way.

As I'm sure that many are aware, converting an old Victorian property involves a lot of structural work. The total development cost came to £225,000 – we had budgeted £150,000.

We calculated that to do the first option it was going to cost £35,000 per flat to refurbish them. By choosing to find a third apartment, we had spent £170,000 to get an extra £150,000 GDV. We've now left some of our capital in and have refinanced it on a long-term mortgage. This was a good lesson for the team.

The location of the property is good, though. It's near the business park where Microsoft and Oracle HQs are based. It's a ten-minute walk to the town centre.

GOING FORWARD: A TWO-FOLD STRATEGY

In short, our strategy is two-fold. We have the blocks of flats to refurb and add value, and we know they work well. But our primary focus is going to be the care homes, it gives us a significant cash flow.

Looking forward, the over-55 and sheltered accommodation markets are growing at the moment. Most of the new complexes are community-driven, providing a constant social interaction. They are innovative, providing facilities such as restaurants, cafes and activities.

We have one or two plans up our sleeves but these aren't carved in stone yet. I hope it will be an opportunity to make a difference. The sector is changing and technology is going to have a significant influence on the sector. The Internet of Things, artificial intelligence and sensors will allow people to be able to have some independence and stay in the complexes for longer.

Click here to listen to more from Tushar

CONTACT

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BLOODY OSTRICHES



Bloody Ostriches – I hate them. There is nothing more annoying than an Ostrich. They disrupt your business, make it almost impossible to plan and end up costing you time and money.

No of course I don't mean Ostriches as in the seven feet tall bird variety – how could anyone hate those – they are awesome! I'm referring to those people that bury their head in the sand. The type that when there is a problem they go to ground, stop communicating and leave you wondering what's happening.

I've had my fair share of Ostrich tenants in the dozen or so years that I've been a landlord. Things get tight financially and they miss a rental payment. Instead of picking up the phone to explain there has been a problem and working out how we can come to some kind of arrangement they switch the phone off, ignore my messages and generally hope the problem will go away.

I reckon that in around 12 years of being a landlord it's happened maybe four or five times. The rent hasn't come in – I've rung the tenant and no answer. The phone's either switched off or they've switched mobile numbers. I've written letters and knocked on the door but no response. A few times we've managed to "patch things up" for a while but for me the trust has been broken at this point and I'm just waiting for it to happen again (it invariably does).

Recently I have had an encounter with an Ostrich who isn't a tenant of mine but someone who was offering a business service (and charging a fair whack for it) and failed to deliver. It all went really quiet – I mean zero communication despite me texting, emailing and leaving increasingly desperate answerphone messages.

He didn't get back to me until it was too late and the whole debacle ended up costing us around £40,000.

I mean, I understand why it happens. Nobody likes being the bearer of bad news – especially when they are the **CAUSE** of

the bad news. But without a doubt every single time this has happened to me the problem only gets worse and I end up getting more and more agitated and irate. I really think that when things start to go sideways we should "man up" and deal with the problem head on. Put our hands up – own up to having got things wrong and work out the best way to try and put things as right as possible.

“Without a doubt in more than a decade in business it's the one thing absolutely guaranteed to annoy me to the point of not wanting to work with someone again”

Years ago somebody owed me some money. I left maybe 40 messages on their answerphone and about the same number of text messages over a six-week period. Finally I had enough and I wrote on their facebook wall "any chance you could give me a call regarding the outstanding invoices?" Less than a minute later my phone rang and it was the guy shouting at me asking "how dare I embarrass him in front of his friends and family?" and that what I had done was "unprofessional". Needless to say we had words regarding how our opinions differed on what constituted unprofessional behaviour.

I'm aware that we don't all deal with things the same way, and that our expectations may vary slightly. But when you own your own business, you have to deal with a mountain of crap that you don't if you work in the corporate world. Before anyone shouts I know you have to deal with all sorts of crap in that world too – but I can't imagine that if your head of department is wondering if you have completed a project he will just shrug it off were you to hide under your desk for a month!

Mike thinks I secretly love it when this happens – that I just love to vent my spleen and that I believe "when you are having a bad day, go and make someone else's worse" – and a few years ago there may have been a kernel of truth to this. But these days I'm just tired of the bullshit and want the other party to pick up the bloody phone.

For now.



Ant Lyons

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YOUR PROPERTY PROJECT *x2*

A GIANT HMO & A DEMOLISH- AND-BUILD FAMILY JV

Interview: Ant Lyons and Angharad Owen Words: Angharad Owen

The purpose of this feature is to hone in on projects that stand out from the crowd and where the developer has dared to be different. Our project(s) for this month really called to us when they landed in our inbox. We're talking about not one, but two projects by an extraordinary developer, **Stefan Gavin**. Read on to see how we compare the differences financially, materially and strategically between the development of a 27-bed HMO and a Grand Designs-style house conversion.



Stefan Gavin has been fascinated by DIY and home improvements since a young age. Growing up, he watched his father build a house and tinker with his childhood home. This fascination continued through to university where he studied product and industrial design technology. His first foray into property was two years after graduating. He was in the position to buy his first house, which he extended and remodelled. Compared to the other houses on the street, it stood out in the best way possible. But then the market crashed.

If sold, the house would not have made a good return. He made the decision to rent it out to increase his cash flow as much as possible. His next project was with his partner. They bought a traditional village property, which they modernised and

extended. They lived there for half a decade, where Stefan concentrated on building his architectural business and raising new-born twins.

At this point in his life, Stefan's work in property was very much a side-line interest. His career designing extensions and new-builds for clients was taking up all his time. Whilst he enjoyed his work, he realised that property investment could provide the opportunity to leave his job. Stefan succeeded in doing so within 12 months by focusing on HMOs. His evenings, weekends and holidays were spent working on his new venture.

One of the case studies we will be studying this month is a 27-bed HMO.

It's a typical well-built, solid 1960s building, with a 45-degree roof, high ceilings, and concrete floors, which had formerly been used as a job centre. The property had been marketed for lease only and was not attracting much interest. Stefan approached the owners on several occasions to discuss a sale. Negotiation took a year but eventually a deal was done. By the time Stefan got the keys, it had been empty for two years.

His offer was subject to planning. Whilst Stefan wanted the option to purchase, the vendors wanted a secure agreement.



OXFORD HOUSE BEDROOM

OXFORD HOUSE DAVENTRY

3D tours: <http://oxfordhousedaventry.co.uk/accommodation>

Type of property:	Commercial building of circa 6,000 sq ft
History:	1960's construction: former Job Centre Plus
Strategy:	Co-Living professional HMO Joint Venture with a good friend who is well established in the HMO sector (Gary Bees)
Purchase price / acquisition method:	PP £350,000 EDC (We exchanged with a delayed completion subject to Planning approval)
Open market value:	£480,000 (RICS valuation post Planning approval)
Purchase/Acquisition costs, inc legals, etc:	Legals, SDLT & Planning costs £19,000
Funding method(s) (eg, cash purchase, mortgage, JV, etc):	Cash towards deposit and cashflow of project. Development finance to complete project and re-finance to Hampshire Trust Bank
Deposit paid:	£210,000
Amount of funding:	£535,000 development finance @ 7.24% over 13 months (some went towards acquisition)
Borrowing rate(s):	7.24% for development loans + arrangement and broker fees
Monthly mortgage/funding payment:	Development finance paid in arrears at redemption of loan
Total money in:	£745,000
Personal money in:	£265,000 (Includes initial project cashflow)

They agreed on an exchange with delayed completion, with a non-refundable deposit of £5,000 on exchange.

Before exchange, Stefan and his team went through a pre-application, where they got feedback on the proposed scheme. It gave them confidence that the plan would be able to go ahead. While configuring the terms, the number of bedrooms fluctuated between 24 and 30, before settling on 27.

Due to his career in design, Stefan had spent many years involved in projects, either designing or project managing. He was prepared for the inevitable scenario of unexpected costs, and spent as much time as possible speaking to people, reading, researching, and pulling on his own knowledge to calculate the budget. But this was the biggest project he'd ever worked on.

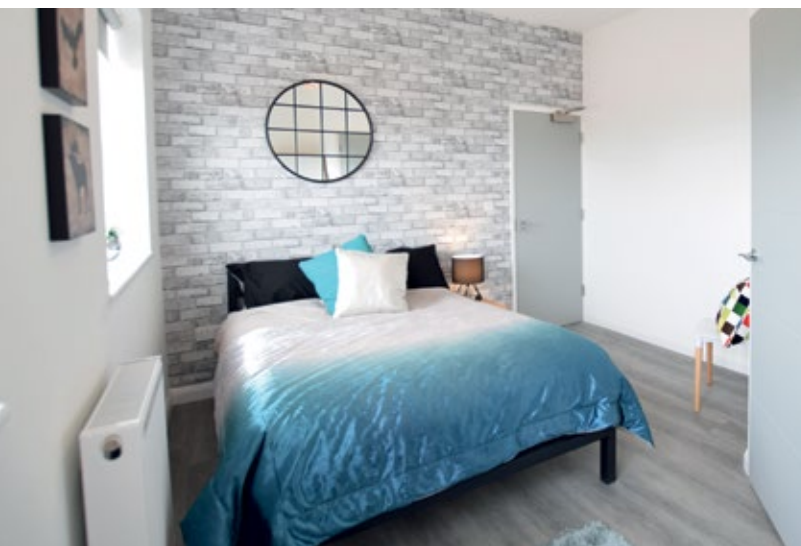
Estimates of lending, development and the costs of doing so were considerably higher than expected. They revised their calculations and began to receive realistic quotes. This allowed Stefan and his team to find the areas where money needed to be allocated. The only way the budget could be managed was by Stefan being heavily involved throughout the project, deciding future purchases and costs.

“Groundworks and drainage were one of the largest areas of overspend”

Groundworks and drainage were one of the largest areas of overspend. The ground floor of the property was 500mm of reinforced concrete with metal mesh. 26 toilets and shower rooms needed somewhere to drain. The plumbing figure in total was more than £90,000.

Being the main contractor, he could mitigate the usual 10%-15% profits. He had a vested interest in sourcing materials and products for as little as possible. In total, he saved between 30%-40% of the original cost calculated by the QS report and still achieved a high-end finish.





The building was £350,000 with £5,000 on exchange (which was offset against the purchase price). Finance costs were in the region of £42,000 – over budget by £5,000. This may have been a consequence of a delay on the refinance. Conversion, including planning, building control, contingency and furniture cost £375,000. Total spend was £786,000.

As a direct result of being so involved in this project, Stefan is now exploring options to outsource, so he can spend his time working on other areas of the business. Going forward, he hopes to have one contractor on each large project. On smaller projects, he intends to have two or three sub-contractors to begin the groundwork and a main contractor to deliver the structure and internals.

COST OF WORKS

Duration of project:	7 months conversion + 2 months to fully tenant + 4 months refinance period
Architects fees:	In-house
Planning costs:	£2,970 inc Planning consultant, pre-app and change of use
Planning duration:	4 months
Quantity surveyor:	In-house
Asbestos survey:	£500
Any other surveys/ professional costs:	Fire Strategy, Building Control, Traffic Surveys, Acoustic Design = £9,000
Site prep and demolition:	£10,000
Drainage and incoming utilities:	£17,330
Superstructure:	Internal walls = £36,000 MF Ceilings, acoustic works & plastering = £37,000
Doors:	All carpentry works £21,000
Windows:	£38,000 (80 windows removed and installed)
Roof:	£3,937 – repairs only
Plumbing:	£91,000
Electrics:	£29,000
Flooring:	£19,000 includes tiling en-suites
Decoration:	£14,726
Kitchen – units, taps, worktops, etc:	£19,900 4 x large kitchens supplied and installed
Kitchen appliances:	White goods on rental, fitted appliances included above
Bathroom – showers, sinks, toilets, taps, etc:	Included in plumbing
Floor & wall tiles:	Included in flooring
TV & WiFi:	27 x TV's, 4 unit access points for wifi and hotel style data set-up £9,000
Externals:	£285
Key system:	Included in Joinery but £800 cost
Alarms / CCTV:	CCTV included in Electrical but at a cost of £1,800
External lighting:	Included in electrical
Furniture:	£19,300
External furniture, cigarette bins, etc:	£150
Total costs:	Purchase and costs Finance costs Conversion costs TOTAL £369,000 £42,000 £375,000 £786,000

VALUATION & INCOME

Post-works valuation:	Market Valuation: £1,620,000 Vacant Possession: £1,230,000
Re-mortgage amount:	£737,000
Rate:	4.26% (65% LTV)
Money back out:	Paid back development loans and private equity
Money left in:	£49,000
Monthly income (per unit if more than one):	Current monthly Income: £13,995 £167,940 p/a
If HMO, bills inc?	Yes
Monthly mortgage payment:	£2,670 interest only
Monthly costs:	Include, managing agent, bills, Internet, weekly cleaning, white goods rental, TV licenses and commercial waste. £4,581
Net monthly cash flow:	£6,744
% Return on money left in:	20.2% NET annualised return based on funds left in – Paid back in 1 year then infinite return... 10.4% Gross yield on market value 13.65% Gross Yield on VP



They brought in valuers to get an understanding of the worst-case scenario, to ensure there would still be a profit at the end. The valuation was based on the market value of the project at £1.6m. At the last minute, the lender questioned the demand in Daventry for an HMO of this size and decided to lend on the value of vacant possession – £1.23m. Considerably lower than the market value. Stefan struggled to get all the funds out of the project as the lender wouldn't increase the LTV more than an additional 5%, meaning the equity could not be refinanced.

As the building runs on a corner, the building has been separated into two wings. Each wing has a front door, back door, upstairs and downstairs. Stefan made the decision to split the wings into two again, creating four blocks.

The blocks each have their own entrance, and comprise of six or seven bedrooms, a kitchen and a lounge area. All bedrooms have a sitting area with a smart TV. The crime prevention officer for the area insisted that every bedroom has their own letterbox.

When entering one of the wings, the first thing seen is a wall of timber. Stefan oversaw the interior design of the building and admits that the wall was a risk. He used the cheapest roofing batten with three coats of cedar wood stain, bonded over the front of a black painted wall.

Stefan's ideal tenant market was working professionals. However, he was surprised at the amount of applications from work placement students. They make up just under half of his tenants in this building.

Daventry is an industrial town. There are many manufacturing facilities; one of the leading businesses employs students and graduates on 12-month placements. Other large international companies have set up in the area bringing hundreds of new jobs. But despite it being a desirable place to work, there isn't much to offer in terms of bars, restaurants or cafes. There isn't even a direct train into London.

“Daventry is an industrial town. There are many manufacturing facilities”

The nearest large town is Northampton, where there is a more vibrant property market. And a lot of development. Looking for his next project, Stefan felt the need to be a part of it.

He spent many hours driving around looking for plots and houses to potentially develop.

Around Ecton Lane, there was a lot of building and development taking place. He found an old bungalow for sale which was an opportunity that could not be wasted. He teamed up with his sister and her partner and purchased it for £405,000. Most of the new-builds in the area were Georgian-style houses or red-brick buildings. But Stefan wanted to do something different.

The partnership was structured by agreeing that they would purchase the house, while he would fund the conversion and building budgets. They agreed that Stefan would take a smaller profit share at the end.

Stefan began to ask himself questions: What fits on the plot? What works well? What looks good?

They basically knocked down the old bungalow and started again from scratch, with only a few of the original walls remaining. It's now a five-bedroom, 240 sq m house. The conversion cost £265,000.

It would have been easy to overspend, but Stefan scrutinised every outgoing penny and project-managed it himself. Properties in the same street have been redeveloped for half a million pounds plus. Despite inspecting how much was being spent on what, there were no cutbacks. The stairs are made of oak, there are glass balustrades and the kitchen is designer with additional features like boiling water taps. Stefan made sure that money was spent in the right areas to achieve a high quality.

But things don't always go to plan. Especially when his JV partners started to move into the property!

While they were working on the project, Stefan began to suspect that his sister was getting attached to the house. She and her partner made the decision to purchase it as a family home.

A few disputes arose after agreeing to refinance the house in his sister's name. She and her partner had made some choices on the finish of the house that hadn't been allowed for in the budget.



ECTON LANE SYWELL

Type of property:	Old bungalow on a 0.35 acre site in a high-value area
Strategy:	Re-develop bungalow into a contemporary attractive house
Purchase price:	£405,000
Open market value:	£405,000
Purchase costs:	£15,000
Funding method:	Own funds and family equity
Amount of funding:	£265,000 equity required to develop
Total money in:	£685,000
Personal money in:	£646,600

COST OF WORKS

Duration of project:	10 months
Architects fees:	In-house
Planning costs:	£1,600
Planning duration:	Pre-App = 10 weeks. Full Application = 10 weeks
Quantity surveyor:	In-house
Preliminaries:	£5,000
Skips:	£1,000
Site prep and demolition:	£12,500
Substructure:	£4,000
Drainage and incoming utilities:	£3,500
Structural works:	£8,000
Superstructure:	£18,000
Doors:	All carpentry works £25,000
Windows:	£23,700
Roof:	£16,000
Plumbing:	£12,500
Electrics:	£9,500
Flooring:	£10,700
Decoration:	£6,000
Kitchen:	£22,000
Bathroom:	£12,200
Floor & wall tiles:	£2,500
TV & WiFi:	£8,000
Externals:	£25,000
Alarms / CCTV:	£1,500
External lighting:	Included in electrical
Total costs:	£226,600

VALUATION & INCOME

Post-works valuation:	£925,000
Sale price:	£915,000
Profit:	£268,400 (60/40% profit share)

They had to sit down many times and explain that there would be an overspend if particular products and finishes were chosen.

Stefan, his sister and her partner confirmed the agreements of the project. Because his sister had made a cash purchase on the property, they would be able to pay Stefan back his loan and his share of the profit after refinancing. It was a win-win, as they moved into a home they loved, and Stefan made a successful return.

Stefan builds his budgets from square foot pricing with healthy contingencies for risk areas. This gives him a level evaluation of the costs. He begins to obtain quotes, add in provisional sums and take out anything where there may be some risk, eg drainage, groundworks or roofing – these are his first focus. He is confident that other areas, eg kitchen or flooring, will be able to be completed within budget, and therefore is happy to compromise in some cases.



This article has showcased only two of Stefan's projects, and both are very different to the other. He does not feel constrained to one strategy. His vision for his business Vantage Homes is to focus on multi-unit developments. He currently has new-build and conversion projects ranging from six to 30 apartments.

Stefan embraces the design-led approach. It is his background, after all. He finds himself challenging why anything is done the way it is. His next project has of a more traditional feel due to planning constrictions,

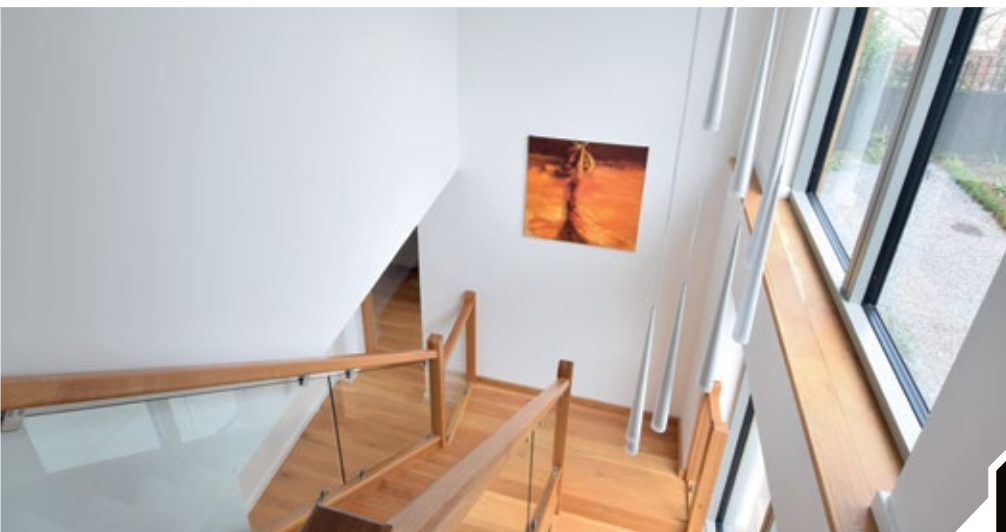
“Stefan embraces the design-led approach. It is his background, after all”

but adding internal features and making the best use of every part of the building will create a bespoke and individual feel for everybody who enters.

Creating individual properties costs both more time and money than mass developments, however going over and above the standard of corporate developers will achieve a price premium. Buyers will, on average, pay £25-£30 per square foot more for a unique home.

While both properties featured have been funded by Stefan or his family, many of his other projects have been funded by investors. Some retail-invested, and some by individuals who are showing an interest in making their savings go further. He believes this is the only way his business can grow without constantly living in rented accommodation or selling up the family home to fund the next deal.

There still appears to be a large divide between purchasers who know what they want in terms of design and those who don't have the vision to see how a project will look until it's done. It makes selling contemporary design difficult, so Stefan creates visuals for both externals and internals to aid potential buyers get a good feel for what the finish will be and what is achievable within the house. The links to view Oxford House are in the case study.



GET IN TOUCH

Email: Stefan@vantagehomes.co.uk

Website: www.vantagehomes.co.uk

[CLICK HERE TO LISTEN TO THE FULL INTERVIEW](#)

YPN SAYS

By focusing on two fantastic projects by one developer, we can easily compare the costs that are incurred when doing a large HMO or a back-to-brick refurb. This will hopefully give you an insight on the differences in budgeting needed when you're planning your own projects ... or even if you're looking for inspiration to begin your project! The home on Ecton Lane looks like it has come straight out of the telly, whereas the HMO really raises the bar for large HMOs.



Find out more about commercial to residential conversions with YPN Bitesize!
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BUYING AT AUCTION



PART 1

AN OVERVIEW By Max Scott

Over the past three years, investor **Max Scott** has bought more than 80 properties with a total market value in excess of £10 million. He buys properties all over England and Wales with purchase prices ranging from £33,000 to over £1 million. He has engaged in almost every strategy including BTL, HMOs, holiday lets, flips, quick sales, title splits, buying at auction, lease extensions and even the occasional development.

In this short series of articles, Max draws on his experience of buying at auctions to give us an overview of what to expect, the types of properties you can find, and what problems to look out for when considering an auction purchase. To kick off this month, he looks at the role of the auction in the wider property market.

Auctions, I have found, are one of the best ways of buying property. I have sourced many of my deals this way over the years. However, I must point out at the beginning that I am not qualified – this series of articles is formed simply from my own opinions based on experience. I am always learning!

HOW BIG IS THE UK AUCTION MARKET?

The first thing to get across is just how big the auction market is. In the 12 months from December 2016 to November 2017, a remarkable 32,915 auction lots were offered for sale. 25,180 (76.5%) of these sold, raising a total of £4,542,000,000 (source: EIG).

This amounts to an enormous number of properties being sold via auction. It also represents tremendous opportunity for investors who can get to grips with auctions.

Comparatively, the total number of property transactions in the UK via any method over the same period is expected to be just over one million (source: HMRC). When you exclude owner-occupiers, auctions represent a reasonable proportion of the investor market and are typically where the more seasoned investors will go to find value.

WHY NOW?

People who sell property via auction tend to take a hit on sale price compared with the full open market value in exchange for:

1. the certainty (immediate exchange) and/or
2. speed of sale (quicker completions)

However, this isn't always the case. It can depend on the lot and who it suits, how it is marketed, the guide price and the market at the time.

The significance of this hit on sale price is far greater in a weak market and far less in a hot market.

The investment property market has taken some significant blows in the past few years; stamp duty hikes, S24 relief, changes in tenant law, etc. Combined with the fears of a hard Brexit, I think in 2018 we will continue to see softening demand for investment property. Weaker supply and demand will be an opportunity for professional investors to buy at the right price.

Auctions could be a great way of doing this.



SOURCING PROPERTIES AT AUCTION

The best place to start is by looking at your local auctions. Register for the catalogues, put the auction dates in your diary and attend!

Of course there are portals like Rightmove and so on as well, and these have an auction filter. What I like about Rightmove is the ability to draw a map and set alerts. Occasionally properties are listed with non-local auctioneers (most commonly London-based ones) and these alerts ensure you don't miss out on any listings.

Obscure listings can be a good way of finding value too. My first purchase was a property listed at an auction two hours away from its location; people local to the property may not be bothered to travel and bid, and those local to the auction may not be interested in that area – thus shifting demand to your favour.

EIG is the market leading tool for auction professionals. It powers most (possibly all, I'm not 100% sure) auctioneers' websites and bidding on the day; the legal packs are uploaded here; you can set alerts by area with detailed criteria, and also find comparables that have sold by auction. It is, however, expensive and probably not worthwhile unless you are committed to buying a fair amount over a year via auction.

GUIDE AND RESERVE PRICES

This is one of the most fascinating areas of an auction.

Reserve. Let's start off simply and say that legally the reserve cannot be more than 10% above the upper end of the guide. Therefore, if **the guide** is £90k-100k or £100k, **the reserve** cannot be above £110k. That doesn't mean all auctioneers stick to the rule – and I have a few examples – but in most cases, assume they do. Realistically, this is simply the minimum price a seller is willing to accept.

Guide price. This is far more interesting. It used to be an estimation of what the property would sell for. One auctioneer describes it vaguely: "A guide price is a marketing figure, which is used to guide potential buyers as to how much a property could be worth."

"In reality very few auctioneers set guide prices as an estimation of what the property will sell for. Most auctioneers push sellers to set this as low as possible, for good reason"

The psychology is simple: the lower the guide price, the more interest a lot will attract, the more people will then view, the more download the legal pack and the more bid. The more people that bid, the higher a lot should sell for – it adds more fuel to the fire.

It's hard not to succumb to it. When you see a property that you know should be worth say £200k advertised at £100k, it catches the eye.

Typically, when a lot looks quite expensive, it's the seller who won't accept the philosophy of pricing things low to attract interest. I was chatting recently to an auctioneer who advised to go for the lots that look over-priced for exactly that reason.

As the auction date approaches, when a seller hasn't had the interest they wanted, they lower the price in a last-ditch effort to increase interest and get the sale price they want.

However, it is often too late to leave enough time for viewings, due diligence, finance, etc, so it can end up going for a lower figure than if it started with a low guide price.



CASE STUDIES

Below are two examples of properties being sold well over the guide price ...

The first was a property in Worthing that we wanted to turn into an HMO. The guide price was £125k-£130k, I forget what our maximum bid was as it was quite a while ago, but I'd guess circa £200k. We thought we had a chance despite a large number of people on the viewings. It went for £255k. (I think that investor must have lost money given the amount the property needed spending on it.)

115 **THREE BEDROOM TERRACED HOUSE**
Guide: £125-130,000

18 Gordon Road, Worthing, West Sussex, BN11 1DB

■ A vacant threefour bedroom terraced house with original features now in need of complete refurbishment and situated in a central and convenient location.

The property has good road links to Worthing seafront and surrounding areas via the A24 and A259 and is within close proximity to the town centre with its High Street shops and amenities.

Once works have been carried out the property is considered ideal for resale or investment.

18 Gordon Road, Worthing, West Su
Let 115 - Sold for £255,000
Description
Freehold Terrace House Two Floor Three / 4 B
Unmodernised Garden Vacant

Since then I've learnt my lesson.

One property near where I live came up and looked very cheap, so I went to the viewing for curiosity as much as anything. Two viewings a week were scheduled for three weeks, and each viewing period had two slots. As I turned up to the first viewing, 15 people were queuing out the door. I knew this would go mental, so I didn't bother going for it. The guide was £170,000-£180,000 and it sold for £329,000. After it sold, the auctioneer emailed out that they had had 346 viewings!

WHAT LOTS ARE GENERALLY POPULAR?

During 2015 I had a lucky streak and was successful in every auction property I went for. The start of 2016 was tough, however, and I think I was the second highest bidder on about six properties in a row that I went for, which was very demoralising. Here, I think luck and the pre-stamp duty hike boom of 2016 played major roles.

Still, there are very clear patterns in what is popular and what is not. I'll highlight a few examples to make the point ... but don't over-think all this or you may get analysis paralysis.

EXAMPLE 1

Large house, fantastic condition, in a nice area. No development potential. Guide price £1.25m.

The only people really interested in this are likely to be owner-occupiers. Chances are they are not experienced in auction buying; finance is complex and even if they had the cash, they could potentially buy a far more expensive property with a mortgage. Supply and demand here is very weak but with high stamp duty, there's no value for someone to flip it on. This is likely to go slightly cheap.

EXAMPLE 2

At the other end of the scale: property guided at £125k, needing a full refurb, in an area potentially suited to HMOs.

If it is in or near affluent areas in particular, lots of hobby investors could have the money, while it's not a huge amount to raise for others with fewer funds. Everyone is interested in this lot; homeowners, builders, BTL and HMO investors – people looking to flip or keep. Supply and demand is strong and the person prepared to buy at the smallest margin will win the property. (The earlier example that sold for £329k was a similar case but had speculative development rather than HMO potential.)

It boils down to demand, but investors are not always as rational as we think. I look for problems that may put others off the property, but I can solve. This shifts demand in your favour and gives you an edge, but you must know what you are doing.

CASE STUDY:

Sackville Road, Bexhill

Property: **Five flats above a restaurant, on one leasehold title.**

Purchased: **January 2016**

Purchase type: **Pre-auction**

Purchase price: **£225,000**

SDLT and fees: **£3,800**

Condition and problems:

- **The building was poorly managed and in poor condition**
- **Only three of the five units were tenanted**
- **No access to one of the flats**
- **Significant rent arrears with tenants in situ**
- **Potential challenges with evictions**
- **Small amount of dry rot**

The project:

- **Refurbishment, damp proofing and external repairs**
- **Evicted tenants in arrears**
- **Converted a one-bed flat into two-bed**

Refurbishment cost: **£35,000**

New valuation: **£325,000**

Gross income pa: **£28,584**

Yield on cost: **10.83%**

Capital gain: **£61,800**

Value added and profit created by:

- **Buying at auction for a reduced price**
- **Solving problems**
- **Refurbishment**
- **Increasing rental income**



Next month, I will continue with the subject of due diligence. In this I will cover viewings, purchase time frames, finance and the legal aspects. I'll also cover what to expect and do on the day of the auction, and add in a few more case studies.

MORE CASE STUDIES ...

Cooksbridge Road, Brighton & Greenway Walk, Chichester

This lot consisted of two properties. The owners, a separated couple, had not paid their mortgages for a long time, so there was a court order that the properties had to be sold by a certain date. They could only achieve the figure they needed by selling both properties. As the locations were about an hour apart and very different, not many investors were interested in both. So our cheeky pre-auction offer was accepted.

COOKSBRIDGE ROAD

Purchase price: **£170,000**

SDLT and fees: **£3,000**

Improvements: **£25,000**

New valuation: **£300,000**

Rental income pa: **£25,920**

Yield on cost: **13.09%**

Capital gain: **£102,000**

GREENWAY WALK

Purchase price: **£275,000**

SDLT and fees: **£4,000**

Improvements
(a refresh): **£2,000**

New valuation: **£345,000**

Rental income pa: **£15,000**

Yield on cost: **5.33%**

Capital gain: **£64,000**

Click here to listen to our full interview with Max

Max Scott is based in Brighton. He runs Star Property, a large property investment business, as well as his own business, Zest Property Investments.



Feel free to get in touch to get a copy of his viewing sheet, or if you have any questions about buying at auction.

Max is currently on the lookout for portfolios of HMOs or freehold blocks of flats.

max@zestpropertyinvestments.co.uk

max@star-property.co.uk

HOW TO CHOOSE A PROPERTY STRATEGY THAT SUITS YOUR PERSONALITY

By **Mark Lloyd**



It is often said that we are in a people business and that we just happen to invest in property. Understanding the individual you are dealing with can provide a great insight into the kinds of things that will work for them and how you can potentially work together. Indeed, the better understanding you have then the better your relationships – not just in property but in life.

Jackie Reeves and I have been business partners for over 25 years (many think we are husband and wife but we're not!) and during that time have had many ups and downs. But I don't think we would have lasted this long if we had similar personalities.

I'll come onto the meaning of personality types later in this article but if you had two silver-backs or lion-type personalities in the same room, this only leads to one result: clashes, division, arguments as each fights for supremacy with neither willing to accede to the other. This does not create a good environment for a business relationship! We have both seen businesses come and go, run by two people where both parties fight to exert their control – it just does not work and the business collapses as a result.

Most successful businesses are run by at least two people – you might have the main person,

but there will always be a strong partner/number two, whether that is a husband/wife/life partner or someone within the business itself. In every business relationship, in my opinion, there always has to be one person who drives forward, with a second person who provides the checks.

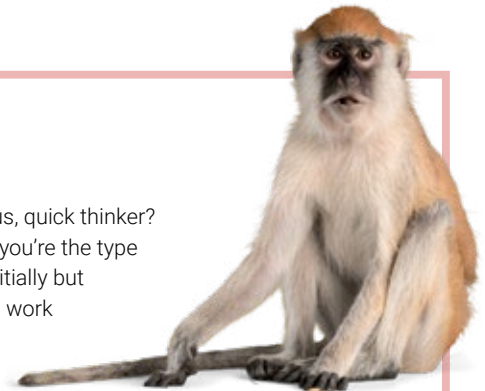
So how does this relate to property? Well, property investors come in all shapes and sizes. In fact, a stereotypical property investor doesn't exist as their characters and backgrounds are so diverse. So that means one size does not fit all and consequently, not all strategies will suit. Some strategies will suit particular personality types better than others.

So how do you choose?

The trick is to choose property investment strategies that suit your personality; that way you play to your strengths and have a greater chance of success. One of the very first tasks we do when an investor joins our mentorship programme is a psychometric personality profile and in general, most people will fall into one of four personality profiles. So here I am going to provide a summary of the four main personality types. See if can establish where you fit! If there is a crossover (and there usually will be) then there will always be a dominant profile.

THE MONKEY

Do you get excited easily? Are you a spontaneous, quick thinker? Then you may fall into this personality profile. If you're the type of person that gets highly excited by a project initially but becomes bored easily it might be a good idea to work with another investor or coach/mentor.



Behavioural characteristics:

- Spontaneous actions and decisions
- Stimulating, dramatic opinions
- Talkative
- Quick pace
- Gregarious and friendly
- Jumps from one activity to another
- Shows emotions
- Operates on intuition
- Likes involvement
- Exaggerates and generalises
- Tends to dream and get others caught up in their dreams

- Undisciplined about times
- Risk taker
- Enthusiastic and optimistic
- Good persuasive skills

Your motivations:

- Acknowledgement
- Recognition

Your priorities:

- Relationships

Irritations for you:

- Boring tasks, being alone

Will confront and may appear:

- Manipulative
- Over-eager
- Impulsive
- Inconsistent

- Superficial
- Unrealistic
- Wasteful of time

Will need:

- To get credit/acknowledgement
- Action and interaction
- Quick pace for stimulation and excitement
- Removal of any threat to prestige

The Monkey can be excitable. Have regular contact and try to have conversations by phone or even better face-to-face. Keep it interesting, quick and snappy.



THE LION

Are you a direct type of person, with very little patience?
Then maybe you come under the Lion profile:



Behavioural characteristics:

- Strong-willed, authoritative
- Prefers autonomy
- Wants immediate results
- Goal-orientated
- Aloof, independent and competitive
- Strong ego and dominant
- Likes challenges and solving problems
- Low tolerance for feelings, attitudes and advice of others
- Decisive actions and decisions
- Likes and seeks control
- Dislikes inaction
- Good administrative skills

- Fast, impatient pace
- Questions status quo

Your motivations:

- Results
- Track record

Your priorities:

- Task
- Results

Irritations for you:

- Wasting time
- 'Touchy-feely'

behaviour that blocks actions/results

Will dictate and may appear:

- Restless
- Critical
- Blunt
- Uncooperative
- Irritable
- Aggressive
- Pushy

Will need:

- Control of situation
- Tangible evidence of progress
- Fast pace of moving towards goal
- Removal of any threat to accomplishment

The Lion doesn't want to be kept waiting – they will make immediate decisions so be ready with all the information he or she could possibly want. Communicate directly and quickly – he/she doesn't have time for small talk.

The Lion/Monkey personalities can be quite dominant so there always has to be an opposing/complementary profile.

THE DOLPHIN

Are you the type of person who empathises very easily and is very supportive? Maybe lacking confidence and always looking to others for reassurance? Then maybe you would come under the Dolphin profile.



Behavioural characteristics:

- Warm, friendly and accepting
- Likes to check others' reaction
- Agreeable and supportive
- Steady and calm
- Doesn't always show emotions
- Accepts change slowly and reluctantly
- Supports and actively listens to others
- Approaches risk cautiously
- Slow to take action and make decisions
- Dislikes interpersonal conflict
- Great ability to gain support from others
- Loyal and dependable
- Prefers first name/informality
- Asks many questions
- Consistent

Your priorities:

- Relationships

Irritations for you:

- Pushy, aggressive behaviour

Will submit and may appear:

- Wishy-washy
- Submissive
- Passive
- Dependent
- Hesitant
- Defensive
- Indecisive

Will need:

- Reassurance that they're liked
- Personal assurances
- Slow pace for comfort and security
- Removal of any threat to relationships

The dolphin is a team player – ask his or her advice often and always keep him/her involved in decision-making. It may take a while to gain his/her confidence but once you have it, you will keep it.

THE OWL

And the last profile is the analyser/procrastinator. The type of person who usually needs too many facts to make a decision – the Owl.



Behavioural characteristics:

- Serious, persistent, orderly
- Seeks facts and data
- Structured and organised
- Concentrates on detail
- Good problem-solving skills
- Perfectionist, wants to be right
- Over-relies on data collection and proof
- Critical of others' performance
- Complies with authority
- Dislikes too much involvement
- Slow, cautious pace and decision-making
- Time-disciplined and precise
- Works alone, slowly and precisely
- Follows directions and standards
- Likes controlled circumstances

Your motivations:

- Precision
- Accuracy

Your priorities:

- Task
- Details
- Process

Irritations for you:

- Surprises
- Unpredictability

Will withdraw and may appear:

- Over-reliant on data/documentation
- Resistant to change
- Slow to act
- Unable to meet deadlines
- Lacking imagination
- Resentful

Will need:

- Guarantees that they're right
- Understanding of principles and details
- Slow pace for 'processing' information
- Removal of any threat to accuracy

The Owl wants to peruse the information in his or her own time before making decisions – don't rush him/her, he or she will come back to you when he/she is ready. Make sure that your facts are all together and accurate.

Once you understand who you are and whom you are dealing with then you can work out from there which strategies will work best for you.

The above is just a brief insight into understanding yourself and other people – there is, of course, a lot more to it than a few words!

Mark Lloyd is co-founder of Property Mastery Academy and one of the main mentors behind their award-winning Mentorship Programme:

www.propertymasteryacademy.co.uk

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Your trainer and host: Kevin Wright has been described as 'outrageously positive' – partly because of his positive approach to positive finance, but more recently as someone who took just two months to beat cancer. He started his career in the property industry in 1983 and has been giving financial advice since 1992 initially as a qualified financial advisor. Today his business niche is to focus solely on clients who invest in property.

"It's not easy to get your head round these concepts when like me you've always gone down the traditional route, but having just done a no money down with your good self this stuff actually does work"

Carolyn Williams - Property Investor



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HOW TO FIND THE RIGHT SYSTEM

By **Jacquie Edwards**

Property Go-To Girl



A big stumbling block that I see with many new property investors (actually, with many people starting a business) is that they try to get everything set up perfectly from the very beginning. So many want all their systems set up from day one and think that if they manage that, they will never have to look at or change them again. I believe this mentality holds many people (maybe even you?) back from really diving into your property business and getting your first deal – because you are in analysis paralysis looking for the “right” system.

Since the main feature of this month’s magazine has a whole “where are they now?” vibe – I thought I would have a little discussion about the evolution and growth of systems in my property business. From this, I hope you can see that your systems can and will grow over time, and that it is impossible (even if you love systems and are kick-ass at them) to set it and forget it from day one. Ultimately, it is ok to just get started with what you’ve got and grow from there.

For those of you who don’t know me – I started a rent-to-rent business four years ago (it’s actually exactly four years ago this month that we took on our first two rent-to-rent properties). I started on day one with no property experience, no systems in place, no fancy website, etc ... just like everyone else starts out. And then I built my business up in the first 12 months to ten HMOs and 50+ tenants using basic spreadsheets and some quick-to-set-up online resources for my email and website (I’ve spoken about those in previous articles, but they were basically cheap and easy do-it-yourself options).

Luckily, I was pretty handy with a spreadsheet so that’s where I started. To get up and running quickly I just jumped in and started viewing properties and tracking potential deals in a list in Excel. I could have spent weeks deciding between different CRM systems and on the perfect graphic designer



to create a logo and brand for my business, but in the beginning those aren’t the key tasks to get the deals. I’m a firm believer in starting with the most important tasks and if you are looking for property deals I think those are around getting out there and looking at properties, not sitting at home setting up systems (and I love to setup systems ... but there is a time and place for it).

“Once I got some properties on board I tracked the tenants in a spreadsheet and everything ran smoothly”

If you need to share files with a partner or team member you could alternatively consider Google Sheets as everything is in the cloud and can be seen and edited by multiple people at the same time.

As my business grew so did my spreadsheets, but they were still essentially simple lists of information about the properties and about the tenants. And everything went smoothly up until that ten HMO / 50ish tenants point. It was then that I decided to take on someone else to help me with the day-to-day management. That person needed to be able to use my spreadsheets. Unfortunately, my property manager wasn’t the most tech savvy person and wasn’t very good with

them (I’ll admit by this point my spreadsheets had got a bit fancier with lots of formulas and conditional formatting and filters). Plus, a few tenants had moved out and all the historic tenant information was in along with the new tenants, so the spreadsheets were getting bigger and bigger.

This is what is going to happen with every system – you will eventually outgrow it. You could start with the biggest and best CRM system and maybe not

outgrow it for years, but the bigger and more robust the system then usually the more it costs. Most companies in start-up mode don’t have hundreds of ££ each month to spend on a database. I did a lot of research into inexpensive CRM systems and compared them with property specific models. There are a lot of them out there but price was still a big factor for me. I decided on a system called Podio (www.podio.com). This provides the shell and you can build your database to suit your business. You can use it for free for up to five users. And even cooler was that you can simply upload the information from a spreadsheet into Podio and not have to spend hours retyping everything.

Now we are managing over 20 HMOs and around 120 tenants. We are still using Podio but have upgraded to a paid version because I’ve got more than five people on my team. This upgraded version includes some cool features and automations. I spend a bit of time nearly every month tweaking the system and adding new functions. That might be because I’m a bit of a geek but it does just go to show that your systems will always be growing and expanding. So don’t wait to find the right one – jump in and get started and watch as your business and systems grow alongside each other.

Jacquie Edwards is the author of “Rent to Rent: Your Questions Answered”





NO. **4**

An introduction to

CONVERTING A BASEMENT

Interview & Words: **Heidi Moment**

A lot of properties have basements. The question is can you really do anything with them and is it worth it for your return on investment?

Let's find out ...

What factors do you need to consider when converting a basement?

START WITH THE HEIGHT

One of the challenges with basements is that the floor almost certainly won't already comply with building regulations - it won't have a damp membrane or any insulation in it. If you have a 6-foot high ceiling then you may be able to put insulation etc on top of the existing floor and still have sufficient height in the room, and that's great as it will be cheaper and easier to convert. But if the ceiling isn't that high you're going to have to dig down, which can bring its own challenges.

CONSIDER WHAT YOU WILL DO WITH THE SPACE

The key thing to consider is what are you going to do with the space? If you're doing an HMO, then as far as size goes, you're looking to create a minimum bedroom size, such as a 10.5 square metre double bedroom. If you've got a little bit more space than that, then you may consider putting in an ensuite as well, although be careful with ensuites because being below the drainage isn't practical.

Of course, if you've got something that's over 22 square metres or so, you might get two bedrooms down there. Or if you have a door at the front (and the space is large enough to meet regulations) you could potentially get a flat down there, which would give you a really good return on investment and will be more pounds per square metre for a

flat than for a bedroom. However flats can be a bit more challenging.

"A flat could give you a really good return on investment"

There's no point in converting a basement into anything less than a bedroom, as you won't get a decent return on investment for it.

KEEPING THE WATER OUT

Basements are partially, if not completely, below ground, which means there will be a certain element of dampness and moisture coming in. A tanking solution is necessary to be able to stop it. The solution all comes down to the quantity of dampness and water down there. A good tanking system will stop water and dampness getting in.

You'll certainly need to tank the floor to stop rising damp, and it would be rare not to have to tank the front and rear walls as a minimum, because that will be part of compliance with the building regulations.

Tanking systems nowadays are some kind of membrane fixed to the walls. They allow the moisture to sit behind the walls.

If you have a higher volume of water, you often need to put in drainage channels for the water to reach the main drains or maybe into a sump that gets pumped out.

"Always get a specialist to assess the level of moisture coming in and advise the right tanking solution for you"

Who do you need to help you with this?

COUNCIL PLANNING DEPARTMENT

You shouldn't need planning permission to convert it into a bedroom, but make sure to double-check your local guidelines. There may be an Article 4 restriction on basements in your area, and if you're in a conservation area there may be a few restrictions too. If you're doing a self-contained unit, you will need planning permission, so always check with your local authority regarding sizes and specifics before beginning any work.

ARCHITECT

If you are doing a self-contained unit you will need some drawings for planning. Even for a bedroom it's good practice to get some building regulation drawings and specifications from an architect or technician. These will make it clear to the builder what they need to do to comply with regulations.

BUILDING REGULATIONS

Building regulation compliance is a must. Always contact someone at your local council's building control department or an approved inspector.



TANKING EXPERT

Always seek the expertise of a tanking specialist. They will assess the right solution for the amount of moisture that's coming through, which could be just a little bit of damp or running water. They will then advise on the right tanking system for your space and they'll also provide a warranty at the end as well, which is really important.

Most tanking experts advertise themselves as damp specialists (the same kind of people that will come in and inject the walls to stop rising damp). If you haven't worked with one of these before the easiest thing is to do a Google search to find several contractors in your area, then get 3 experts to come out to your property and discuss your requirements. Never convert a basement without getting expert advice on a tanking solution.

Basement specialist VS own builder

Basement conversion specialists are often designed to be one-stop shops, usually aimed at homeowners. They will have all of the specialists and resources ready to go, making it easier from your perspective as you'll only have to deal with one person, but be aware that you'll probably pay a premium for that.

On the other hand if you're doing lots of other refurbishment in the building, then it makes sense for the same builder to do the whole thing and employ the specialists necessary.

What are the safety aspects you need to look at?

Building regulations and HMO regulations are relevant. That means looking at things like:

- **Means of escape – having accessible windows from each habitable room that you can climb out of to get back up onto ground level**
- **Fire separation to the floor above**
- **Sound insulation to the floor above (essential in a self-contained unit)**
- **Do you need to relocate the gas meter?**
- **Do you need to relocate the electricity distribution board or if it's an HMO do you need to add a clause to your tenancy agreement to say that other tenants are able to access the bedroom to reset the electrics?**
- **Is your staircase compliant? Older steep staircases and low head height are not compliant.**



Always work with an architect to plan the details so that your builder is totally clear on what he needs to do to be compliant. Remember that builders do not necessarily know all of the current regulations.

What certificates do you need?

WARRANTY

The warranty for the tanking system is very important. You should get a ten-year warranty. Ask for the upgrade to get it insurance-backed, because that means if the contractor who did the work ceases trading, you've still got a warranty that is backed up by insurers.

"Always get a 10-year warranty for the tanking system. Mortgage lenders will ask for it when you come to refinance"

ELECTRIC CERTIFICATE

As with all refurb works, you will need a certified electrician for all the electrical work you do.

GAS SAFETY CERTIFICATE

If you end up moving the gas metre, or boiler, or do any gas adaptations, you'll need a gas-registered, gas-safe plumber and the certification that goes with it.

How much does it cost?

If you're lucky and don't have to do too much work, you could create a bedroom for around £10,000. But, if you need full tanking (walls and floor), to dig the floor down a little bit, add a means of escape, and a new staircase, then you're suddenly up to £25,000 or more.

How long does it take?

It could take you 2 weeks to get an architect to do some drawings then 3-4 weeks to find some builders to price the work, so you could easily find it's two months before you've

actually started doing any work in the property.

Simple works could take 4 weeks but more complex jobs could take 8-10 weeks or longer.

It can be impossible to get any plant or machinery into the basement, so everything has to be done by hand, which can take a long time.

What issues might you come up against, and how might you overcome them?

You need to avoid underpinning, which is when you end up excavating the floor down below the existing foundations, or very close to the existing foundations. Underpinning comes with a lot of risk, you'll have party wall matters to deal with which means you'll need a party wall surveyor, and your costs can suddenly start to escalate.

Whilst basements are a big open space, they're not always the best way of creating additional rooms in your property. Always get expert advice to help you assess how best to make your investment work for you.

YPN SAYS

This section is all about helping you to look at potential opportunities.

As we're limited on space it isn't possible to cover everything in much depth, so make sure you listen to the audio as it contains much more information. And always take Martin's advice on who else to get to help you. Good luck with your basement conversions!



Click here to listen to more from Martin

CONTACT

Contact Martin with any questions you have regarding refurbishments.

martin@refurbishmentmasterclass.co.uk
www.refurbishmentmasterclass.co.uk

for full details of our services.

Tel: **07934 271371**

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STRUCTURAL ISSUES

Retaining Walls

By **Mark Doyle**

Retaining walls are pretty common; they're everywhere around us, starting with our gardens and driveways right through to huge earthworks alongside motorways. Most property investors and developers will utilise small retaining walls at some stage to increase the area of usable ground on a sloping site (hence adding value). But what are they, how do they work and, if they can add value, can we all use them on our next project?



Mark and his wife Claire have owned a variety of traditional businesses ranging from an IT company to a hotel and restaurant.

They have invested in

property since 1991, and have well over 20 years' experience in BTJs, HMOs, developments and conversions. Today, Claire runs their business while Mark's engineering background allows them to work on property in poor condition.

A retaining wall is a wall that is built to hold back the materials behind it from moving!



WHAT DO RETAINING WALLS DO?

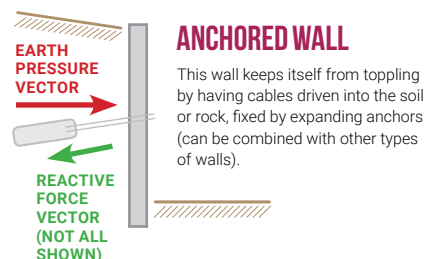
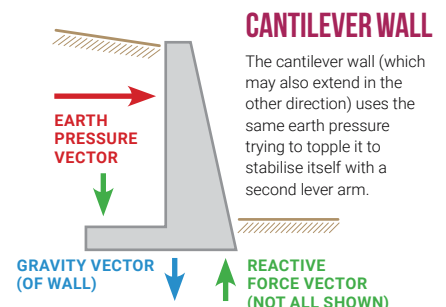
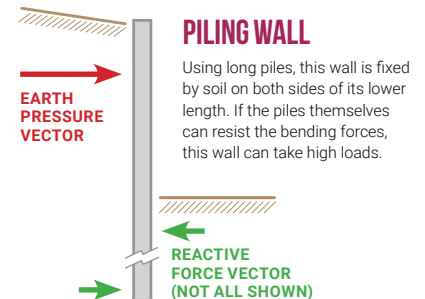
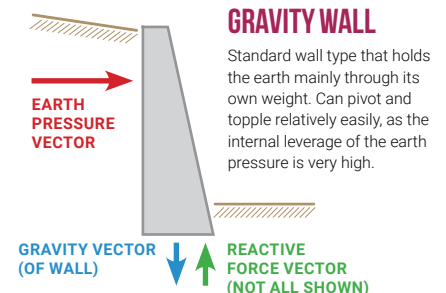
Retaining walls are vertical or near vertical walls that hold back the ground; they have to be strong enough to act against gravity, resisting the natural downward or unrestrained lateral force of a mass of material to move. This mass or weight of material can also change its characteristics; so when it's wet it can be heavier and potentially more mobile. If the material is sandy, water will penetrate easily and can cause erosion, whereas if it is clay, it is more resistant to erosion and water penetration. Obviously there are lots of possible permutations and not surprisingly the bigger the wall, the more attention to detail is needed.

WHERE DO WE USE RETAINING WALLS?

Property investors and developers utilise temporary and permanent retaining walls in five main areas: **basements, drainage works, excavations, gardens and pavements**. Their real value is in adding to the amount of 'usable' space in or around a property, which can increase its value and saleability. Wherever space is at a premium, or properties are of a higher value, they are definitely worth the additional cost of application. So a small property on a good sloping coastal site may well be able to 'pinch' a metre of ground, or a basement may be deepened by a metre or so to make a usable room in the South East. But there are many other occasions where a new pathway or off-road parking area or a feature in a garden would help to sell a property.

- 1m³ of water **weighs 1000kg or 1 tonne**
- 1m³ of consolidated topsoil and dry coarse sand **weighs approx 1.6 to 1.7 tonnes**
- 1m³ of rock will **weigh approximately 2.3 to 2.7 tonnes**

A SIMPLIFIED EXPLANATION OF TYPICAL RETAINING WALLS



GRAVITY RETAINING WALLS

By far and away the most commonly used retaining walls are **gravity walls**, which are suitable for vertical heights of up to 2m-3m. They simply hold the soil or rock slope in place by the weight of the wall material itself. They usually sit on a concrete base and are up to a metre or so high, can often be bought 'off the shelf' and are quick to build. The only issue is that they can also fail quickly as they are generally unsupported and any sign of deformation in a wall indicates some instability. There are various types, all of which can be utilised by investors and developers as shown in photos 1 to 8.



Railway Sleepers Old

1

TIMBER WALLS have always been a cheap, easy choice in the UK, particularly with plentiful railway sleepers available during the 1970s-1990s (the railways switched to concrete sleepers). But this wood historically was protected with bitumen products (ie, carcinogenic material) or it will break down over time and the integrity of the retaining wall goes with it (see photo 1). Newer versions, usually for garden design, work well for shallow small slopes and include treated timbers, green oak and even more exotic varieties such as Bamboo (see photo 2).

BRICK, BLOCK AND CAST-IN PLACE CONCRETE WALLS are easily undertaken by builders on site; older walls can be seen with signs of displacement along mortar joints and large cracks across the face, often with water staining seeping through. Although the walls are built with drainage pipes, these can clog up and fail to provide any drainage relief, hence increasing the water pressure on the wall. Newer walls always incorporate coarse drainage material to the rear and stay clear drains. More recent walls are better planned and can even utilise large concrete 'Lego' type blocks, are built in sections or stages and may even incorporate flexible movement joints (see photos 3 and 4).

REINFORCED WALLS are gravity retaining walls that use some type of mechanical stabilisation or reinforcement to give more strength to the wall structure. This reinforcement usually takes the form of a tough plastic netting or geocellular material, which can be placed between block courses and is buried back into the hillside behind the wall during installation (see photos 4 and 5). Other reinforcing methods do exist, such as soil nailing, ground anchors and so on.

GABION WALLS are relatively cheap, made of rectangular wire baskets which are filled with stone and stacked on top of each other (see photos 5 and 6). They are strong, flexible with ground movement, allow free drainage through the wall and are usually more environmentally acceptable.

CRIB WALLS are constructed with timber, concrete or even recycled plastic. Interlocking stringers and headers are stacked on top of each other to form a three dimensional box (see photo 7). This box is infilled with crushed stone or gravel and is usually planted over the front to give a 'softer' finish.

KEYSTONE WALLS are made usually with pre-cast concrete segments and blocks, but tyres are also used elsewhere around the world. They link together like a jigsaw (think of 3D Tetris), are quick and easy to construct and often used in garden design (see photo 8).



Railway Sleepers New

2



Brick Retaining Wall

3



Block Geomembrane Reinforced Wall

4



Gabion Reinforced Geomembrane Wall

5



Gabion Wall

6



Crib Wall

7



Keystone Wall

8

LARGER RETAINING WALLS

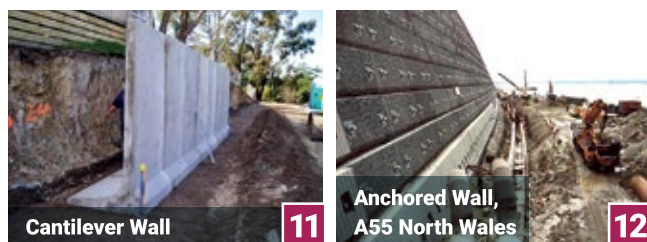
These walls are used by developers for larger scale projects, access roads and parking areas. They can be big, able to withstand greater loads and obviously cost a lot more. These walls always need the input of an engineer for design, suitability and certification. There are three main types below;



PILED RETAINING WALLS use thin interlocking sections (sheet piles, [see photo 9](#)) or long circular sections (contiguous, secant or soldier piles, [see photo 10](#)) that go deep into the soil as well as protrude above it. The piles can be made of metal or concrete and usually have approximately a third exposed above ground and some two thirds below. They are often used in soft soil conditions and any spaces between are grouted to form a watertight structure.

CANTILEVER OR COUNTERFORT RETAINING WALLS are constructed from mass concrete with steel reinforcement. However, they get added strength from a 'foot type shape' that extends back into the hill and often thin concrete webs to the rear, and may even be buttressed to further increase their strength ([see photo 11](#)). These walls are usually used up to 8m in height.

ANCHORED RETAINING WALLS the strongest type of retaining wall, perfect for supporting very heavy loads, and can be combined with other techniques. As the name implies, an anchor cable is wrapped around the wall and has a base buried deeper into the hill, which increases the stabilisation.



TIPS FOR SAFE WORKING WITH SLOPES AND EXCAVATIONS

- Check the condition of the slope or excavation prior to allowing daily access
- Don't assume that the ground will simply stand up unsupported
- Support the exposed face as you excavate
- Re-inspect any exposed surface after a fall or partial collapse of material
- Keep plant, heavy machinery and materials at a distance
- Never enter an unsupported excavation that you're not sure about!

Under the CDM regulations, all clients should be familiar with HSE Approved Code of Practice L153 (Managing Health and Safety in Construction).

WHAT DO RETAINING WALLS COST?

Not surprisingly the larger the wall, the more complex the site and the more attention to design required will all drive up the price. A good benchmark for pricing up small retaining walls is set out below in Table 1.

Retaining Wall	Cost	Comments
Brick Cladding	£100/m ²	
Gabion Basket wall	£30-£70/lin.m	Plus infill material
Concrete Block wall	£250-£290/m ²	
Reinforced Earth wall	£220-£250/m ²	
Reinforced Concrete Wall	£300+/lin.m	

Table 1 - Small Retaining Wall Costs

SAFETY AND THE 1.2M RULE!

The ground is heavy, and if a cubic metre of water weighs one tonne and the ground is heavier than water, people can get hurt. Sadly every year people do get buried and are lost in collapsed excavations. Historically, older health and safety regulations stated that if a trench or excavation was less than 1.2m deep, then people could enter the opening without the sides of the excavation being supported or battered back. Some builders, ground workers, banksmen, etc, still refer to this; however this 1.2m rule is not in any of the current regulations. The need to support an exposed slope or an excavation depends on the ground conditions and other risk factors (ie the presence of groundwater or rain). Ultimately the responsibility lies with the competent person, a Structural Engineer or a Geotechnical specialist, but there is still no substitute for common sense.

LEGISLATION

Planning permission and building regulations approval is generally needed for any wall over 1m-1.5m high if it is next to a road/pavement, although this height can vary from council to council due to local bylaws; and everywhere else if a wall is 2m high. Should a local authority have concerns about a wall, they also have access to powers under sections 77 and 78 of the Building Act 1984 to take action to protect the public. Not surprisingly if an adjacent neighbouring property is impacted by works then the Party Wall Act will also apply.

CAN I JUST DO MY OWN WALL?

So can you design a wall yourself? Well a small garden wall, probably yes, but how big is too big? The catch is that no legislative body will state a specific figure or height any more due to the risk of litigation. Ultimately the best reason for bringing in a structural engineer is that you know your wall will do its job safely. However, the engineers report and design will assist when submitting for building regulations signoff, and also show the underwriters your attention to detail when you are seeking re-finance or a mortgage for your project.

CONTACT DETAILS

Mark is happy to mentor or coach anyone who may need some assistance and can be contacted at:
mark@cheshlancs.co.uk or www.cheshlancs.co.uk

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Here's why: My name is Arsh Ellahi and 17 years ago, as an over optimistic university graduate, I made the courageous decision to start my own property business. My friends laughed when I told them, for one simple reason: you need money to buy property. As a graduate, I had none. I didn't care what they thought. I went ahead and tried my idea: to build an HMO portfolio with JV finance. Unfortunately, with no property experience, and only being 21 years old, I couldn't raise JV finance.

AFTER MONTHS OF REPEATED FAILURE

It looked like my friends were right. That I was a dreamer for wanting to start my own business and that, like them, I should have looked for a job. This desperate situation forced me to find a way to invest in property without buying a house.

WHAT I DISCOVERED COMPLETELY CHANGED MY LIFE!

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- ▶ Are you just getting by with money and want financial abundance?
- ▶ Do you want to silence the doubters that keep telling you to stay in your job?

If you answered Yes to any of the questions above then you need to join the Elite Property Tribe (EPT).

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- ▶ Sell every deal you source in less than 2 days when you JV with me for a profit of £5,000 or more.

CAN I MAKE A £3,000 INVESTMENT IN YOUR PROPERTY SUCCESS?

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The door to join the EPT only opens twice a year, in January and in May. The training starts on Monday 4 June, which is why entries close on 31 May.

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FINANCIAL REGULATIONS FOR PROPERTY INVESTING

PART 2

By **Kwasi Affum**

In Part 2 of this two-part article (you'll find Part 1 in the March issue), **Kwasi Affum** provides an outline of the regulations that apply when you are looking to invest in property or projects as a Joint Venture (JV) partner.

In Part 1 of this article, I discussed the impact of regulation on property entrepreneurship from the viewpoint of the person who is arranging the deal. In this piece, I will take a different vantage point and look at this topic of regulation through the eyes of the person who is contributing funds to a Joint Venture.

We all know that JV finance can be the holy grail when it comes to growing your property portfolio. There are lots of things to consider such as, what legal structures need to be in place? What will the fall back be if it all goes wrong? And one of the less well-understood areas is how to communicate the investment legally.

Many developers often have a need to look for JV partners to provide finance for some exciting developments and do not wish to fall foul of the rules. But you do not have to look very hard to find people posting about how they can help you put your pension into a property. Most of the time, persons operating an investment scheme are unlikely to be on the Financial Services Register.

WHAT DOES IT MEAN FOR A PERSON LOOKING TO PROVIDE THE MONEY IN A JV?

While the FCA regulates a wide range of financial products and services, generally speaking, direct investments in property are not regulated. Therefore the vast majority

of these development firms are not FCA regulated. It also makes it challenging to obtain any clear rules or guidelines around this kind of activity from the FCA themselves. For this very reason, if a developer is looking for funds for deals, it is even more important that they do it legally and do not accidentally fall foul of the FCA rules.

If you choose to engage in financial investments with an unauthorised firm, there is always the possibility that they could be undertaking a scam. That will mean you will not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme if something went wrong.

INVESTOR PROTECTION

In the United Kingdom, the marketing of private investment deals is generally governed by two principal pieces of legislation:

1. **The Financial Services and Markets Act 2000 (FSMA), and**
2. **The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (FPO).**

"Depending on how a deal is structured and whether it can be seen by the public, other regulations may apply"



HOW NOT TO ASK FOR MONEY

An example that is often used is when people advertise a secured loan with attractive returns on social media. This is considered an invitation to engage in investment activity. Under Section 21 of Financial Services and Markets Act (FSMA), any communication (such as a Facebook post) which invites or induces a person to engage in investment activity is illegal.

In particular, promotions seeking investment are likely to fall foul if they:

- **promote specific investment deals**
- **guarantee a rate of return (fixed or otherwise)**
- **offer some form of security or**
- **offer a profit share**

FCA COMPLIANT APPROACH

The arrangers have confirmed upfront that you meet the exemption from the rules on financial promotion before you can view the promotion, or the promotion is FCA approved. Many prudent developers seeking funds have a process for getting a potential JV partner comfortable to the point where they are happy to invest, and it typically does not mean talking about potential investment at the initial meeting.

Compliant marketing material will focus on promoting the property company and its activities, as opposed to a specific deal they are looking to fund. This is a perfectly legitimate way to illustrate the nature of a property business and build relationships.

If you would like to receive promotions of investments, you must first ensure that you fall into one of several special categories of investors. The main categories mean you must acknowledge **in writing** that you have a good understanding of the requirements for being treated as a High Net Worth Individual (HNWI) or as a Sophisticated Investor.

BECOMING A SOPHISTICATED INVESTOR

Before you can be treated as a Sophisticated Investor you must acknowledge that you have a good understanding of the implications by signing a Sophisticated Investor Statement. This will state that you accept that the investments may expose you to a significant risk of losing all of the money or other property invested.

It also means:

1. **you will not have access to the FCA's complaints process and The Financial Ombudsman Service (FOS) in the case of a dispute**
2. **the loss of the right to seek compensation from the Financial Services Compensation Scheme (FSCS) in the event that the firm is declared in default by entering into liquidation or bankruptcy, for example**

In return you will gain the ability to receive financial promotions whose content may not conform to FCA rules and may not have been approved by the FCA (or a firm regulated by the FCA).

NOTE OF CAUTION

Pension freedoms may allow you flexible access to a portion of your pension, but this should only be withdrawn for legitimate financial reasons. When looking at your pension you should only speak with qualified and regulated financial advisers.

Kwasi Affum is an entrepreneur, founder/director of Viable Properties, and vice president of Regulatory Impact Assessment, Barclays Investment Bank.



For more about investing in property through a pension scheme, see Gareth Bertram's article in this month's issue on [page 68](#).

SOPHISTICATED INVESTOR

Another way to gain access to deals, not available to ordinary retail investors is by becoming a Sophisticated Investor.

A Sophisticated Investor is someone who the FCA considers to have a high level of knowledge and experience in property investing to be able to weigh the risks for themselves. The main assumption is that if you were to lose your investment, it would not be catastrophic to your finances. You can self-certify as Sophisticated under any one of these criteria:

1. **You have had more than one investment in a non-readily realisable investment**
2. **You have been a member of a business angel organisation**
3. **You have worked in the private equity sector**
4. **You have been a director of a company with a turnover of £1 million or more**

QUICK REF

- The marketing of private investments in the UK is mainly governed by the Financial Services and Markets Act 2000 (FSMA), and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (FPO)
- Under Section 21 of Financial Services and Markets Act (FSMA), any communication inviting or inducing a person to engage in investment activity is illegal
- Avoid promotions of specific investment deals or guaranteed rates of return, and promotions that offer some form of security or a profit share
- Compliant marketing material focuses on promoting the property company and its activities, as opposed to a specific deal
- You must be a HNWI or a Sophisticated Investor to receive investment promotions

BTL IS DEAD!

(or is it?)

By Richard Brown aka



"... BTL is well and truly dead as a cashflow strategy."

These were the conclusions of a well-known property person I am connected to on LinkedIn, which sparked a small debate. I do see similar sentiments shared in the press and among some investors on social media and the forums too. But is BTL really dead as a cash flow strategy?

Here are some of the triggers behind these sentiments:

- 1. The increase in BTL taxation: SDLT premium and loss of mortgage interest relief are the biggest two**
- 2. Tougher lending conditions, especially for higher-rate taxpayers and 'portfolio landlords'**
- 3. Increased red-tape and bureaucracy, including additional costs thereof (such as licensing)**

Based on this perspective, it would be all-too-easy to draw the same conclusion as my LinkedIn property contact and conclude that BTL as a cash flow strategy is dead. But is that the complete picture and a correct conclusion? Well, here is my attempt to paint a more complete picture ...

- 1. The changes in mortgage interest relief, especially for higher-rate taxpayers, has taken a bite out of the after-tax returns for BTL investors owning property, especially in their own names.**

However, since these changes were announced in 2016, the lending market has also adapted, allowing BTLs to be owned by a company at mortgage rates similar to those available to individual name investors back then. So, clearly one way to avoid the impact of higher taxation of borrowing interest, would be to switch to company ownership for new BTL investments.



For those with existing properties in their own name, that leaves a potential issue, I grant you that. However, for new investors, or for investors looking to add to their holdings, buying BTLs through a company makes little difference now from a mortgage interest relief point of view compared to when the Section 24 changes were announced a couple of years ago.

"There is also no getting away from the fact that the additional 3% Stamp Duty premium has taken a chunk out of our returns"

However, this is a one-off, up-front cost or in accounting terms a 'capital expense' and not a 'recurring revenue expense'. This means that once it's paid, it's paid and won't be repeated. It does increase our initial cash investment requirement, but it does not reduce our income or cash flow from the investment itself. As such, we should really look at this 3% premium as the equivalent of a 3% increase in the cost of the property. It is relatively easy to offset this sort of

capital cost. For example, by negotiating the purchase price down or, if not possible, by allowing natural house price increases to inflate it away over time. So, for me, the SDLT increase is something of a red herring in the cashflow debate.

Regarding the increased taxation point, my conclusion is that we have a couple of options. First, adapt to mitigate its impact, such as with mortgage interest via a company. Second, put it into the right perspective of it being a small add-on cost with a low impact on the long-term results, such as offsetting the Stamp Duty premium via discounting or inflation.

- 2. Lending conditions are tougher now than they were two, three or even five years ago ... that's true!**

However, did you try and get a BTL mortgage around 2009? It was a **LOT** harder back then, I can assure you! The property market has cycles; just have a listen to the second series of The Property Voice Podcast if you want more on that. Equally, the financial markets have cycles too! You may recall that we had same-day remortgages, with 110%+

loan-to-values and self-certification just before the global financial crisis. Was that reckless lending? Yes, it was! Will it ever be repeated? Yes, it probably will be! If you study property and economic cycles, they bear out the fact that politicians and bankers seem to have memory spans of less than 18 years!

We are in the 'it's tough' part of the lending cycle at the moment. However, things will change and make it a little easier again, just as history has shown.

What do we do about this? Well, be professional and have a proper business plan (ask me if you want a template) and make sure that your investments have some sensible safeguards built in, such as enough fat to absorb the odd shock, a contingency fund for those inevitable 'gotchas' and some sensible hedges against sudden changes to the lending landscape, like longer-term fixed rates and not over-leveraging.

My conclusion around the lending landscape is to be professional about our property business, plan ahead, hedge against risks and take a more pragmatic, long-term view of property and lending cycles. We should be able to predict or at least side-step many of the challenges to the lending environment, provided we are switched on.

3. There is no doubt that there is more red-tape now. BTL is no longer a cottage industry, it is becoming increasingly professionalised ... so, we just have to deal with it!

In the past, BTL was all-too-easy. We bought a property and rented it out, with limited external control over us. The reality is that there were always 'rules' or 'risks' that could impact us, but now these have become tightened up, formalised and more readily enforced.

Whenever I hear about new rules for landlords, I ask myself 'would I want this as a tenant?' Most of the time, the answer is yes! Would I really want to run the risk of living in a property with dodgy gas, electrics, or with a germ-infested water system; or leaky and damp; or failing to meet minimum habitation standards; or with high energy-consumption; or where repairs and maintenance are carried out slowly, if at all? Honestly, the answer would be **NO** to all of these. There is no problem with many of the rule changes for any decent landlord at least.

On a more practical level, we should ensure that our rental property produces sufficient cashflow to safely cover all of its costs, including any licensing fees. Then, get ourselves up to speed through accreditation, or bring in help as needed.

It is a business and one day we might just be saying, 'thank goodness that there is a licensing scheme around here to keep the rogues and amateurs out'. Equally, we can often cut some costs out if we need to; such as with the recent increase in lower cost online agents.

My conclusion around the red-tape is that highly regulated markets often produce higher than average returns. We may feel the exact opposite is happening with BTL right now, but in time the regulation will help to limit new entrants and so competition, and this will eventually boost profits. If you don't believe that, look at many of the Article 4 HMO areas and see if you can simply set up a new HMO there, or check how much it costs to buy an existing one.

My final point is this: was BTL ever a great cash flow strategy? With gross yields for single let properties averaging something like 3% to 7% across the country and net yields bringing this down to something like 1% to 3%, it would be difficult to say BTL is a high cash flow strategy. For those using a BTL mortgage, we can leverage up our returns and thus turn a better ROI by making our own cash work harder for us. When using a mortgage could potentially multiply those net yield results by a factor of four in ROI terms quite easily, an ROI of 4% to 12% would clearly beat the bank, that's for sure!

Also, don't forget that rents are inflation-linked and so will increase over time, whilst our mortgage payments are not inflation-linked. This usually means that over the long-term our net rental profits should grow as inflation works in our favour, as it also reduces the burden of our outstanding mortgage debt at the same time. Inflation is quite a compelling financial tool that can be our friend at times too ...

In summary, we can adapt and adjust to offset some of the changes to BTL and over time, we might even come to welcome some of these changes too. Therefore, I would say that BTL is not necessarily dead as a cash flow strategy; although there are some better cash flow strategy alternatives out there!

Case study

Sample property of mine, then and now: two-bed house in Edinburgh area ... cash flow impact would be around 5%, but it's certainly not dead!

Description	Bought in 2013 view	Bought in 2013 10-year Projected view*	Bought in 2018 view	Bought in 2018 10-year Projected view*
Purchase price	£90,000	£90,000	£90,000	£90,000
Acquisition and refurb costs	£4,750	£4,750	£7,450	£7,450
Post-work valuation	£120,000	£120,000	£120,000	£120,000
Mortgage debt	£90,000	£90,000	£90,000	£90,000
Gross annual rent	£7,620	£9,744	£7,620	£9,744
Gross annual costs	£4,794	£5,499	£4,936	£5,681
Net cash flow before tax	£2,826	£4,245	£2,684	£4,063
Impact of changes on cashflow 2013 vs 2018	N/A	N/A	-5.1%	-4.3%

*assumes constant mortgage interest rate and 2.5% inflation for simplicity

Until next time from The Property Voice, it's ciao ciao

Richard Brown is the author of **"Property Investor Toolkit: A 7-Part Toolkit for Property Investment Success"**.



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SERVICED ACCOMMODATION

By **Graham Kinnear**

Time for Change?

This month I want to discuss the topic of serviced accommodation. This is a strategy that has seen considerable growth over the past two or three years and is one that, on the face of it, can really enhance the financial return for a property compared with an assured shorthold letting.

It's a strategy that also seems to ignore even the basics of due diligence!

As property investors, it is fundamental that those who occupy our properties can afford the rent and are also likely to maintain the property in a satisfactory condition. Pursuant to that goal, we expect letting agencies who act on our behalf to thoroughly vet prospective tenants, make checks on current employment status, obtain credit scores and an existing landlord's reference. For added security it is customary to take a monetary deposit. Indeed, if a letting agent failed to undertake these rudimentary checks they would most likely be accused of negligence and subjected to criticism by their governing body and their ombudsman.

This is the way it is done and the way it has been done for many years. And it appears to work.

I must question therefore why, for serviced accommodation, we seem to make no such checks? Arguably the risk is greater in that serviced accommodation is fully furnished. Accordingly, there is a greater likelihood of damage and theft.

Now some of you may say that you meet each of your guests to ensure that Mr and Mrs Jones, for whom you have received a booking, do not transpire to be six young lads on a stag weekend!

Whilst this would hardly tick the box of due diligence it is, I admit, some sort of safeguard. That said, at least one of the

major booking sites for serviced accommodation has an automatic booking system whereby the booking can be confirmed without any reference to the property owner. This seems to me to have potential for risk. By comparison I am sure you would be shocked if your letting agent were to propose a tenant for one of your vanilla residential properties, who they had neither met nor referenced!

“ I do accept that horror stories are a tiny minority of the circa 17 million serviced accommodation guests ”

A handful of problem guests have made the headlines over the past couple of years. One unfortunate landlord found his property in Sweden had been used as a pop-up brothel and raided by the police. Another landlord had a guest refuse to leave for a period of 44 days. Many more have had guests steal furniture and items and cause damage to the property. I have also heard stories of guests getting sets of keys cut and then returning to help themselves to items from the property at a later date. The clever ones will use the

same booking portal to calculate the periods during which the property will be vacant.

Just last week a landlord I know had all the towels, kitchen utensils and the television stolen from his property. Upon checking, the guests had booked using a false address and telephone number.

I know from experience that one of the booking platforms does not take a deposit from the tenants/guests. Add to the equation the fact that you may have never met the guest, or even have any verified contact details for them, and you can see how someone suitably minded could really cause you a headache.

I believe that the booking platforms, encouraged by property folk such as ourselves, should undertake far stricter booking regulations. Verified ID details and perhaps credit card details in lieu of a deposit may be an appropriate starting point.

The current system can be manipulated far too easily. It seems wrong to me that you need to provide more comprehensive ID details to rent a car than you do to rent a property.

You may think this represents an over-reaction if you have enjoyed great quality guests at your property over a long period of time. However, without any proper due diligence this is by luck rather than by design.

I suggest that you review the procedure for your guests' bookings. Contact them on receipt of the booking to verify the telephone numbers provided and ask them for proof of address prior to their arrival. Whilst reviewing this process, you could also look at the costs of running the property and how these could be minimised. Motion sensing for heating, air conditioning and lighting may significantly reduce your outgoings, and an earlier check out time may increase your chances of being ready for a same day turnover of guests.

Serviced accommodation can be a successful strategy and a way to meet a myriad of interesting people. Some basic checks at the outset could make the process safer, more professional and more lucrative ... which is to everyone's benefit.

As always, I am happy to assist YPN readers on any property matter and can be contacted on 01843 583000 or graham@grahamkinnear.com

Graham is the author of **"The Property Triangle"**.



You can find out more about serviced accommodation from YPN Bitesize.

www.yourpropertynetwork.co.uk/club/bitesize-sa





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upad THE JOURNEY

By James Davis

As YPN's tenth birthday approaches, the Upad team is in a reflective mood. The milestone, almost coinciding with the anniversary of the company's own inception, has prompted them to look back to where it all started and share some insight into what's happened over the past decade from a lettings perspective.

From an idea born out of frustration at existing tenant-find methods to helping over 12,500 landlords – Upad has had an exciting journey so far!

JAMES' LANDLORD JOURNEY

James Davis started out in property in 1998. Having just left university, he convinced his bank to lend him the money to buy a house – much to the horror of his mother! To maximise his profits, he rented out the house on a room-by-room basis and began his journey to becoming a portfolio landlord with 20 properties across London and Wales.

As his property portfolio grew so did his use of letting agents, but he was disappointed to find they weren't really fit for the purpose. He recalls how, even during his early years as a landlord, he was frustrated with the wide acceptance of expensive letting agents who did a poor job:

"I'd long been suspicious of letting agent fees, which seemed extortionate comparative to the work they did. Yet everyone seemed to accept it was the only way to do things. I had always self-managed because I believe that active management is the only way to be as a landlord – no-one else will care as much as you about your investment. But even with self-managing, I was being charged all sorts of fees even though I wanted to do certain things myself or had already done them. It made me realise there was a gap in the market for landlords like myself."

MYSTERY SHOP

James carried out a test: he mystery shopped ten agents within one area just outside of London. He received only one call in return that day, and seven out of the ten never responded at all. He wondered ... if these agents couldn't be bothered to return a call from a 'tenant', what was he paying them for?

And so Upad was born ...

This is the point when James started Upad, which has since grown to be the UK's largest online letting agent. In fact, over 90% of properties have been successfully let by Upad – a third more than the high-street agent for, on average, a third of the cost.

GROWING THE BUSINESS

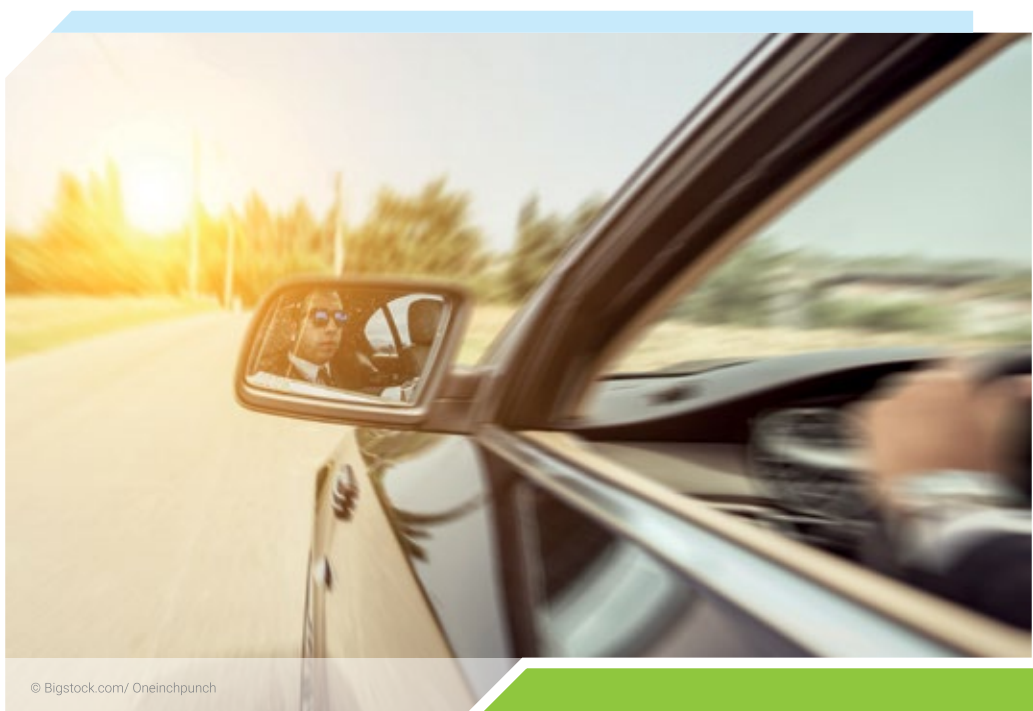
When the company started, Upad offered just one tenant-find service. Fast forward eight years and they now have almost 20 products for landlords to pick and choose from. Services have developed from research into the ever-changing rental market, understanding what landlords and tenants want, and paying attention to new technologies. Most recently, based on feedback from landlords who preferred to pay a fee once a tenant was found rather than an up-front payment, Upad launched 'Pay On Success' to give landlords more choice.

This means that landlords now don't need to pay anything up-front and can advertise their property online right away. They only pay once they've found tenants.

As well as offering a variety of services to suit what landlords want rather than providing an inflexible package, they have developed other areas of the company. Their blog has been voted number one in landlord and property in the UK. In 2017, they launched the Upad Landlord Club, a subscription service for £5 a month where members can access free tax, legal and Universal Credit helplines, download free guides on topics ranging from tax to tips on letting your property, watch premium webinars hosted by James Davis and get free marketing tools for their property advert.

Upad have massively disrupted the property sector with over 75,000 transactions to date yet still maintaining a high level of service to customers. They won Best Online Agent at the ESTAS 2017 (Estate Agent of the Year Awards) as voted by landlords.

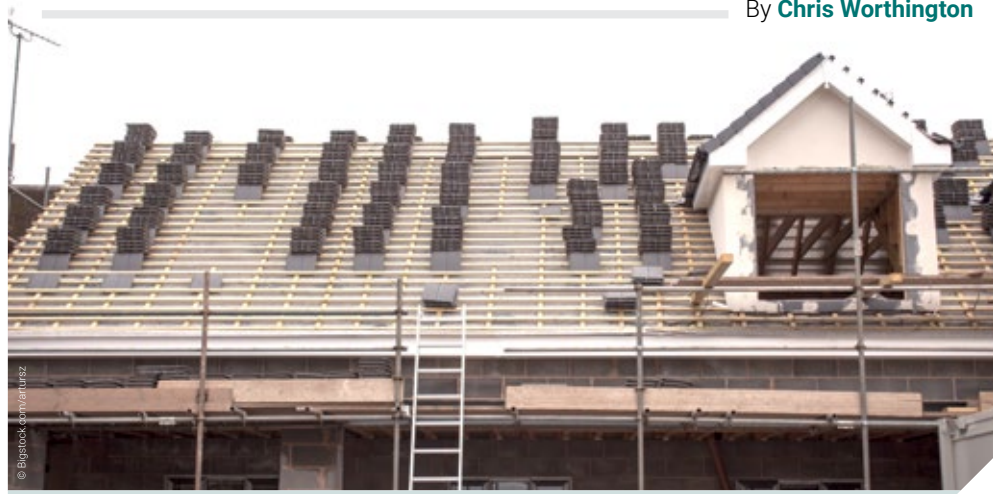
From James' initial frustration at letting agents, the business has grown exponentially and weathered the storms that have hit the property industry over the past few years. With a thorough understanding of the challenges that we face, Upad remains a business created for landlords, by landlords.



THE BUY-TO-LET MARKET OVERVIEW



By **Chris Worthington**



THE BUILD-TO-RENT SECTOR

The growth of the build-to-rent (BTR) sector continues to hit the headlines of the property press. It is also starting to feature on the policy agenda as part of the solution to meet the government target of 300,000 new homes per annum by the 2020s. For example, BTR has been included in the Mayor of London's draft London Plan. This recognises that BTR can contribute to targets for new housing and also for affordable housing within new developments. Substantial private capital is available for investment in BTR. According to real estate consultants CBRE, in 2017 the amount of investment increased by 22% to reach £2.4 billion with around 40% from the USA and Canada. BTR land sales have also increased significantly with a shift away from prime to fringe locations. Here are some details of significant BTR projects:

- **In Greenwich, Creekside Wharf is being developed to rent to families by Essential Living. It will include play spaces and above average sound insulation.**
- **BTR operator Grainger has agreed three BTR deals in Sheffield, Manchester and Birmingham with a total investment of £81 million.**
- **Property and infrastructure company Lend Lease are leading on a £250 million development funded by Canada Pension Plan Investment Board at the Elephant and Castle in South London.**
- **Legal and General are funding a BTR development in the centre of Brighton, adding to their existing BTR developments in Leeds, Bristol, Bath, Birmingham, Salford and East London. The development in Brighton will deliver 200 homes and 3,000**

sq ft of commercial space, including space for small businesses and business start-ups.

- **Greystar, a US-based BTR company is building a development of 550 apartments in Croydon. Amenities will include a roof garden, a sun lounge, gyms and private dining rooms. Greystar plans to increase its UK portfolio by 10,000 units over the next four years.**
- **Realstar, a Canadian company, owns and manages rental apartments in New Cross, Stockwell and Manchester.**

According to the British Property Federation, 19,106 BTR units have been built so far with 27,566 under construction and 58,542 with planning permission.

BTR developments typically offer a range of on-site facilities. A survey by letting agency Your Move found that tenants are prepared to pay premium rates for on-site facilities such as a crèche, a gym, games rooms and a communal garden.

Some BTR developments have gone a step further by offering furnished rooms with all-inclusive bills in addition to on-site facilities. The Times Bricks and Mortar property supplement reported on one of the largest "co-living" developments at The Collective in Old Oak, North West London. It has 550 rooms priced from about £780 per month, which covers council tax, utility bills, cleaning, wifi, and gym membership. Facilities include a library and a cinema. The average age of residents is 28.

Ed Thomas, Head of Community Experience at The Collective, commented, "In ten years' time I think that co-living will be the way that a large proportion of urban renters are living."

THE BTL MORTGAGE MARKET

In November, the Monetary Policy Committee (MPC) of the Bank of England raised the bank rate to 0.5%, the first increase in a decade. The MPC reasoned that "ongoing tightening" was necessary to return inflation to the target of 2%. At the last meeting of the Bank of England MPC, it was decided not to increase the bank rate any higher than the current rate of 0.5% but the Governor of the Bank of England, Mark Carney, warned that more rapid increases were likely in future, raising the possibility of an increase in interest rates in May.

Mark Lofthouse, CEO of mortgage technology company Mortgage Brain, commented, "The Prudential Regulatory Authority changes coupled with what could be seen as the start of a number of interest rate rises is starting to affect the cost of mainstream BTL mortgages. However, 721 new BTL mortgage products were introduced in the UK in 2017 and there are still pockets of cost reductions and savings to be had for landlords and property investors."

Remortgaging continues to drive a large share of the BTL mortgage market, taking around 52% of market share with a preference for fixed rate products. John Heron, Managing Director of Mortgages at Paragon, commented: "The results of our latest intermediary research highlight the overwhelming preference that the market has for longer term fixed rate products. Much of this is driven by the understandable requirement that landlords have for payment stability into the future against an uncertain economic backdrop."

How should BTL investors respond to the growth of the BTR sector? It is certainly a significant and rapidly expanding sector of the rental market. Currently it is concentrated in London and the major cities, but the larger commuter towns will possibly be next in line for new investments. Conventional BTL investors with relatively small properties will not be able to compete with BTR in terms of on-site services although including wifi in the rent would be an incentive for some tenants. It will save them the hassle of getting it connected when they move in and for the landlord the cost would be tax deductible. However, as has always been the case to attract good tenants (who may otherwise move to BTR developments), landlords need to provide high quality modern accommodation. And in future landlords may find that tenants expect to be offered longer term tenancies.

THE BUY-TO-LET MARKET IN *Derby*

The City of Derby is in the East Midlands region about 16 miles west of Nottingham and about 20 miles from the Southern border of the Peak District National Park.

Derby has very good road transport links with the **M1 to the east**, the **M6 to the west** and the **M62 running across the north of Derbyshire**. Rail services are also good. London St Pancras can be reached in 93 minutes while **Nottingham, Leicester** and **Birmingham** are less than 30 minutes away. **East Midlands Airport** is less than one hour away while **Manchester Airport** and **Sheffield City Airport** can be reached in one hour and 20 minutes and 48 minutes respectively.

Derby is an industrial city with a strong tradition in rail transport, aircraft manufacturing and car making. Major local employers include **Rolls Royce, Toyota** and **Bombardier**. The future development of manufacturing in the city will be supported by the government's **Midlands Engine Strategy**. This will provide investment in skills and business growth and will secure funding for road and rail connectivity, including the UK's first transport innovation testbed.

The Derby Cityscape masterplan spearheaded the £2 billion regeneration of the city centre. Here are some of the key developments delivered so far:

- **A new city centre residential community.**
- **Transformed streets, squares and parks**, delivered through a £100 million city centre public realm strategy.
- **A £340 million Westfield shopping centre** with 150 new shops and a 12-screen cinema.
- **Spectacular new river and road bridges**, which improve pedestrian access to the city centre.
- **A new state of the art bus station** and better links to the train station.
- **The opening up of the riverside** with mixed use developments and promenades.
- **New city centre office space** amounting to 1.4 million sq ft, including major headquarter buildings attracting relocations from London.
- **New centres of excellence for education** including the £36 million restoration of the listed **Roundhouse for the Derby College of Engineering and Technology Campus**.
- **The Stuart Street riverside homes** attracted the first new urban pioneers to Derby's city centre. This was the first private sector housing scheme in the city centre since the Second World War. It will accommodate 10,000 new city centre residents.
- **Derby Cityscape** partnered with the Housing Corporation to run an **affordable housing design competition**. This attracted new residential developers to the city centre. A prize of £3.1 million was paid towards the cost of building the winning scheme and the runner up scheme. The result is 123 new city centre homes built by the Kingswater Group, Riverside Housing, and the Metropolitan Housing Partnership.

- **The £10.4 million Quad art and media centre** has dramatically enhanced Derby's cultural offer and has added life and vitality to the main public square. The Quad development includes an art gallery and a cinema.
- **The Riverlights development** includes new public realm and a mix of shops, homes, offices, entertainment uses, and a hotel. It has created an exciting urban quarter that reconnects the River Derwent to the city centre.

In the 2011 census, the **population of Derby was 248,943**. The forecast **population in 2028 is 275,803**, an **increase of 26,859 (10.8%)**.

To accommodate this increase in population, several of the volume housebuilders including Persimmon, David Wilson and Miller Homes are building new homes in Derby. New homes are also being built in the Derbyshire countryside and in market towns such as **Ashbourne, Bakewell** and in the county town of **Matlock**.

Property in Derby is comparatively cheap. The **average house price is £175,752** and the **average rent is £683 pcm** giving an annual **rental yield of 4.7%**. Flats and terraced houses are available for **around £120,000** and semi-detached houses go for **around £152,000**.

Detached houses are available at fairly low prices, **around £230,000**.

(Source home.co.uk).

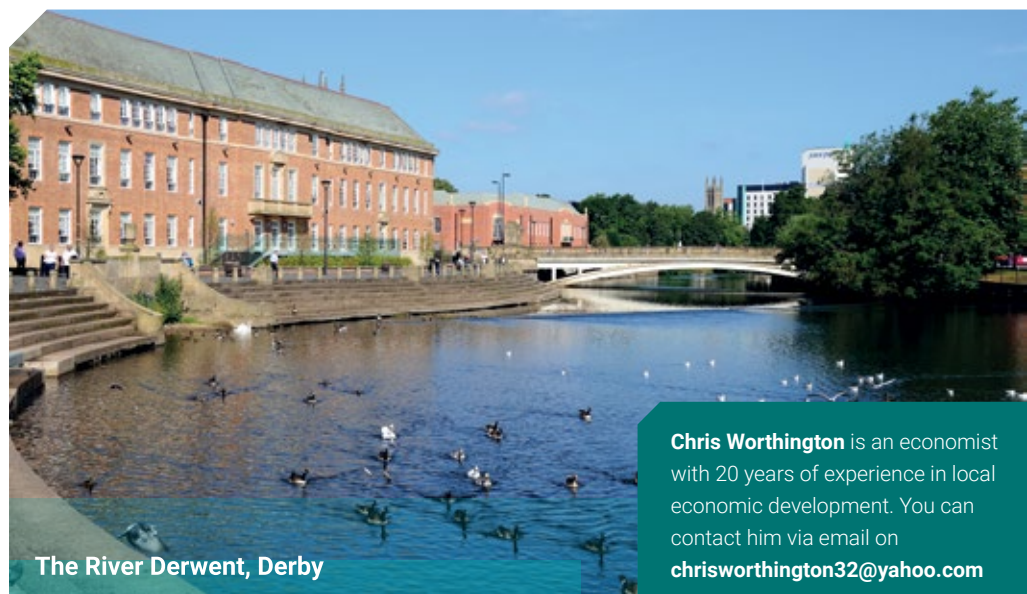
The latest edition of the UK All City House Price Index published by Hometrack shows an **increase in house prices in Derby in the past year of 3.4%**. The total return on investment for BTL investors in Derby is therefore **around 8.1%**.

For BTL investors, Derby offers three main opportunities. These are to:

1. **Invest in an apartment in the newly regenerated city centre.**
2. **Buy a property in one of the volume housing developments outside the city centre.**
3. **Buy a property in one of the nearby attractive towns and villages.**

All these options will produce a solid return on investment for BTL investors because of the strategic location of the city, the strength of local economy and the projected growth in population. These underlying factors will continue to drive the demand for rented housing in the long term. However, which of the three options is likely to produce the highest rate of return? To answer that question, I decided to turn to intuition rather than attempt an analysis of rates of return in specific locations. Derby is an industrial city that has diversified very successfully into support for the cultural and leisure industries. This has been supported by the major regeneration of the city centre including several mixed-use developments. The growth of these industries will generate a new demand for rented accommodation. My personal view is therefore that the best opportunity for BTL investors in Derby is in city centre apartments.

Famous people born in Derbyshire include **Vivienne Westwood, Robert Lindsay** and **Hilary Mantel**. The cultural tradition they helped to start continues to this day.



The River Derwent, Derby

Chris Worthington is an economist with 20 years of experience in local economic development. You can contact him via email on chrisworthington32@yahoo.com

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“IT’S NOT ABOUT WHAT IT IS, IT’S ABOUT WHAT IT CAN BECOME”

The Lorax, 1971, Dr. Seuss

By **Arsh Ellahi**

Hi Arsh

When I meet an investor and they talk to me about the potential in a property, I am sometimes too sceptical and struggle to see that

Thanks for getting in contact Mr Banks, and for your interesting question. Property is indeed weird and wonderful. That's why I love it so much!

Sometimes I too question how someone has managed to, for example, convert a church into luxury apartments, where that vision came from, or when they had the 'light bulb' moment. It is a topic I find fascinating.

As the property industry is consistently evolving though, an investor must be able to adapt to survive. That means continually being able to adapt to market conditions.

According to Google, the definitions of “**vision**” and “**creativity**” are:

Vision: the faculty or state of being able to see

Creativity: the use of imagination or original ideas to create something; inventiveness

My definition of these two terms are:

VISION

- A vivid mental image
- Intelligent foresight
- The ability to enhance visual images of things or events
- Imagination
- The ability to visualise something that you own
- The act or power of creating something new

CREATIVITY

- Cognitive activity resulting in a new way of viewing problems and situations
- The ability to think and approach a problem in an original and flexible way
- The ability to bring something new into existence
- Producing something that is both original and valuable

So where does it all begin? I will try and break it down into stages in line with my train of thought.

STEP 1 THE IDEA

It all starts off as an idea.

For me, this is when I start to show an interest in a property, whether on Rightmove or attending a viewing with a vendor / agent. At this point, I am assessing both current state and potential.

The reason I look at it in these two forms is simple. I like to add value where possible, so try to look beyond the current state for the opportunity to do that. I also assess the potential of the final product.

A simple example is a 'smelly house', a property that has not been touched for some time and could benefit from renovation. In its current state, it may be worth circa £100,000. However, if we were to spend £20,000 to bring it up to a modern standard, it may then be worth circa £150,000, thus adding around £30,000 value to the property.

At this stage you can decide to either:

- **Sell the property**
- **Refinance against the new market value to recycle your funds for future projects**



STAGE 2 DUE DILIGENCE

This is the most crucial part of the process, as it can make or break any deal / project.

Having viewed the property in Stage 1, I map out exactly what would be required. My due diligence process includes:

- **Speaking to other estate agents to confirm values**
- **Liaising with architects and mapping out floor plans**
- **Touching base with council departments such as Building Regulations and Planning where required**
- **Getting quotes from builders and other tradespeople**
- **Understanding where the funds would come from for the project**

A fair amount of work goes on behind the scenes between Stages 1 and 2. We have created the idea, now this stage looks at how to make it happen by working out how to fit all the pieces of the jigsaw together to create the complete picture.

It is important to have a good 'power team' so you can regularly bounce ideas around with them. Over the years, I have built up a solid team. That now pays dividends because the moment I view a property, I can start calling the relevant people. Long-standing relationships mean they now only charge for the time they spend if I decide to pursue the project.

A prime example is my architect. We look at a few projects each month, but he only charges his time on the one we decide to proceed with. A little like a no win, no fee basis. Of course, I don't ask for full floor plans for each property, but I do ask him to sketch / map out indicative plans, enough for me to assess feasibility. As a result of this great relationship, we have been working together for almost 20 years!



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STAGE 3 CALCULATING THE RISKS

I have always said that property is a calculated risk if you treat it with the right respect.

There are many ways of calculating risks. I look at the different cash flow models and potentials the property can present. I like to see multiple uses and exits. We all know there is no guarantee that a projected development will come off, so by checking all the angles, I can confirm in my own mind that I can still afford to run the risk should things not go according to plan.

RISK ANALYSIS

- **Is this the right property for me?**
 - Does it fit in with my long-term goals and strategies?
 - Is it in the right location?
- **What is the purchase price?**
- **What are the associated costs to purchase?**
- **What's the potential?**
 - Is it an HMO? If so ...
 - How many bedrooms can I create?
 - What is the projected cash flow?
 - Could I potentially refinance on a commercial valuation within six to 12 months?
 - How much will the refurbishment cost (including contingencies)?
 - How long will it take for the property to become income-generating?
 - Do I envisage any bumps along the road – are there going to be any planning / external forces issues?
 - Instead of an HMO, could we convert the building into a small block of self-contained units? If so ...
 - What is the projected sale value of each unit?
 - Would we get planning permission?
 - Does the project have sufficient parking / amenity space?
 - Could we sell the units, or would they become a build and keep?
 - If kept, what would the cash flow look like?
 - What's the likelihood of refinancing to recycle the funds?

Once I have the answers to most of these questions, I will review to see what makes the most financial, commercial and long-term sense.

STAGE 4 IMPLEMENTING THE IDEA

Once satisfied that the property is the right project, I then go ahead without deviating from the plans or due diligence. I will illustrate this by sharing a case study: this is one of the projects that I'm most proud of, as it worked out against all the odds.

Case study:

Chapel Ash, Wolverhampton

I had been driving past this building, a former funeral directors, for almost 15 years. It was boarded up. Then in October 2013, an auction board went up on the front.

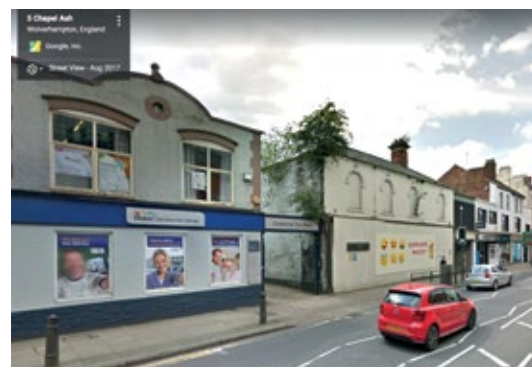
Out of curiosity I enquired about the guide price. At £48,000-£53,000, I thought it very cheap for a reasonably prominent location. I offered £53,000 immediately.

Unfortunately, the offer was refused just as quickly – I would have to increase it significantly. Within a space of 30 minutes, I increased my offer to £100,000 – even though my brother (and business partner) thought I had lost the plot. "What," he wanted to know, "was so special about this building? We could do so much more with the money. Let's not risk it," he said, "it doesn't have planning permission, so what happens if we buy it and can't do anything with it?"

Fortunately for him, I had the vision and creativity to make this project happen. I exchanged on the building the same day, for £100,000.

By looking at the property from the outside, I could see that I could add value by adding at least one storey. Other properties in that row were three or four storeys high, and this building was only two-storey. I had instantly added value without lifting a finger!

I got my architect on the case right away. He downloaded the site plan and started plotting what could be achieved with the new layout. By adding two new floors, we





could get offices on the ground floor and approximately ten one-bedroom apartments. Even with the existing site, we would still be able to get the offices and six one-bedroom apartments. That meant I had already a Plan B.

The site also had potential to build small two-bedroom mews-style houses at the rear, but this would eat into the amenity space.

However, being a cheeky chappy, I submitted initial plans for:

- **2 x offices on the ground floor**
- **10 x 1-bedroom apartments above with the creation of two new floors**
- **6 x 2-bedroom mews terraced houses to the rear**

Multiple site visits with planning and highway officers followed. We eventually achieved planning permission for:

- **2 x offices on the ground floor**
- **8 x 1-bedroom apartments above with the creation of two new floors**
- **6 x 2-bedroom mews terraced houses to the rear**

We now had a site with a GDV of circa £1.8 million – all from a £100,000 purchase.

The build cost was calculated at just over £1 million, and I was concerned that we had over-developed the site. As a result, I decided to sell it with the benefit of the new planning permissions. We were inundated with offers and sold it for a profit of over £300,000.

Had we built the site out, we would have ended up with a similar profit, so it made commercial and financial sense to sell it with the offer we had on the table. In the 12 months we

held it, no work was done to the property. Everything we did was administrative, and all the time was spent on emails and meetings.

This may have been a needle in a haystack deal, but such opportunities do exist. Sometimes, you have to put yourself out there and take the risk to enjoy the rewards.

One person's gain is another person's loss.

Not everyone shared my vision for this site. As mentioned previously, the property had been vacant for 15 years. It was only after I completed the purchase that another Wolverhampton investor contacted me to ask ... "Arsh – is it true that you have just purchased Hopcraft for £100,000?"

My response was simply, "Yes". He seemed disgusted – in his view the site was worth no more than £50,000. (This investor was also a letting agent, surely lacking in vision and creativity as his agency had been caretaking the property for 15 years to ensure no one broke into the site. They charged the owner a mere £25 + VAT pcm.) I asked why they hadn't considered purchasing it. They did not think it would ever amount to anything.

He kept in contact and took a keen interest in what I was planning to do with the site. When I informed him of the planning decision, he almost cried. He had had the opportunity to purchase the site for the best part of 15 years at £50,000 – and had rejected it.



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Property deal mailing list: Bit.ly/DailyBMVLeads
Elite property tribe: elitepropertytribe.co.uk

Facebook - <https://www.facebook.com/arsh.ellahi.1>
LinkedIn - <https://www.linkedin.com/in/arshellahi/>
Twitter - <https://twitter.com/arshellahi>

The doors are now open for the next Elite Property Tribe programme. If you thrive off challenge and want to be pushed to your limits, please visit www.arshellahi.com/elite-secrets for further information.

Arsh Ellahi is the author of **"Boom, Bust and Back Again: A Property Investor's Survival Guide"**



USING A 'SIMPLE' PARTNERSHIP TO COMBAT THE EFFECT OF SECTION 24 MORTGAGE INTEREST RESTRICTIONS

By specialist property accountant **Stephen Fay FCA**



Tax year 2018 sees the start of the new 'Section 24' residential mortgage interest relief restrictions, which phase in over tax years 2018 (25%), 2019 (50%), 2020 (75%), 2021 (100%), with only a flat-rate 20% tax credit allowed for mortgage interest / fees paid, regardless of the tax rate of the investor. However, using a 'simple' partnership can be useful in allocating property profits in the most beneficial way to ensure that each individual's tax status is fully-utilised.

What tax problem would having a 'simple' property partnership solve?

Many residential landlords own their properties with a spouse or business partner. Historically they may have accounted for the rental income and expenses for each property according to who actually owns the property – which is the start-point for accounting for any property rental business.

Until Section 24, mortgage interest was fully-allowable against rental income. There often wasn't a need to change this basic position because the income tax rate of each owner was the same. Changing the structure would simply shift a tax bill from one person to another, but the total amount due wouldn't change.

However, with the phased removal of mortgage interest / fees as Section 24 starts in 2018, many more landlords will see their taxable incomes 'pushed' into the Higher Rate (40%) of income tax (2018: £45k), which will therefore mean a tax increase, as the tax credit for mortgage interest / fees is only at 20%. **(Note: if mortgage interest is removed from the 'taxable income' calculation and the investor's taxable income is still below the Higher Rate income tax threshold, there is no impact of Section 24 at all.)**

So, how can a 'simple' property partnership help with Section 24 tax-planning?

A property partnership allows all the income and expenses for the properties included within the partnership to be accounted for as one total, and then the total split between the partners in whatever way the partners wish (eg, 50/50%, 60/40%, 99/1%). This allows a more flexible allocation of rental profits between the portfolio owners than the alternative, ie simply accounting for each property according to who owns it.

Note that it is the partners who pay tax on their share of the rental profits (and pay capital gains tax), not the partnership itself (unlike a company, where the company itself pays tax, and the shareholders may also pay tax on their income from the company) – ie a partnership is 'transparent' in tax terms.

This means that each of the investors' full Basic Rate band can be used, subject to all partners'

consensus (which should be documented within the partnership agreement).

What exactly is involved in setting up a 'simple' partnership?

A 'simple' partnership can be set up by applying to HMRC to form the new partnership (there is an online process to do this, which your accountants should be familiar with). The partnership needs a name (most of our own clients use their surname, plus the words 'Property Partnership'). A separate bank account isn't necessary (unlike for a company) although of course it's good practice to have a dedicated rental bank account anyway.

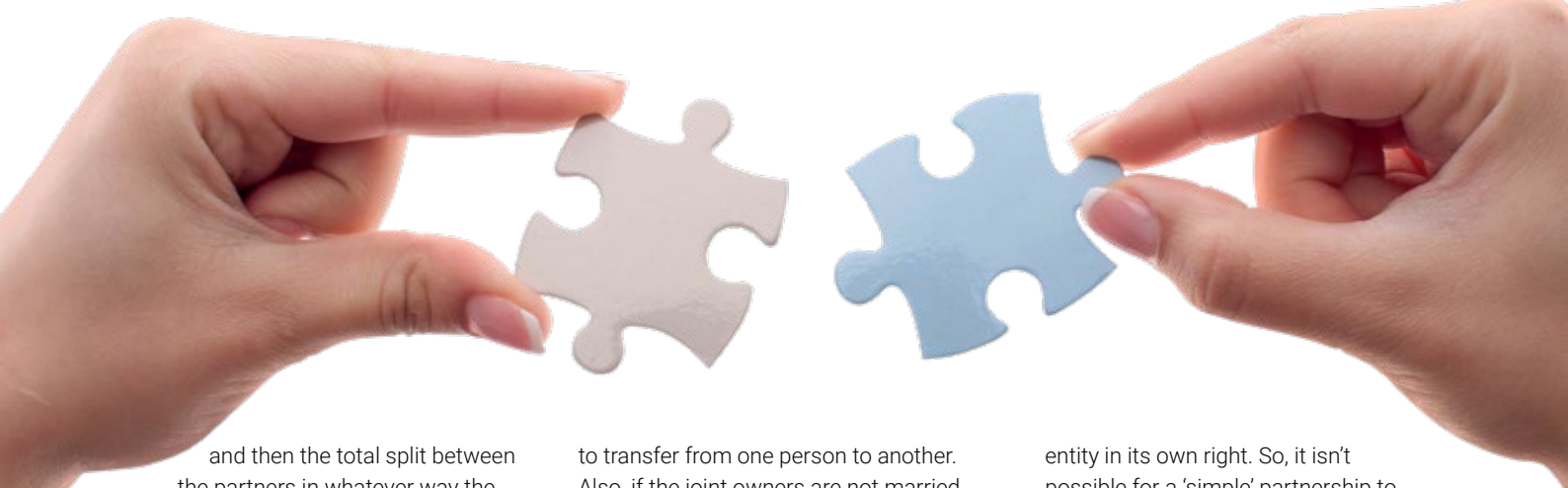
HMRC will then issue a partnership tax reference, and a tax return will be required for the partnership itself. This will include the usual totals for a rental property business, ie rental income, finance costs, repairs, etc.

How do partnership accounts work – and how does this affect my SA302 Tax Calculation?

The basic process and 'rules' (known as GAAP: Generally Accepted Accounting Principles) for the production of property partnership accounts is in most ways the same as for 'basic' rental accounts.

All of the properties held by the partners in the partnership are accounted for together,





and then the total split between the partners in whatever way the partners wish (eg, 50/50%, 60/40%, 99/1%).

One major difference between a jointly-owned property rental business and property partnership is that a simple partnership is an 'entity' and so only one 'Annual Investment Allowance' (a type of capital allowance) can be claimed by the partnership – however as the AIA is £200k, it is rare for landlords operating as a partnership to be affected by this.

Each partner's SA302 Tax Calculation would then simply include a single line for 'Income from partnerships', rather than 'Income from property'. However, the tax treatment of the income would remain the same, eg National Insurance isn't charged on rental property partnership income as the income is treated as 'investment income'.

I also have a property management company – how is that affected by operating as a partnership?

Many landlords also have a property management company, which usually would charge property management fees into the property rental accounts – operating the property portfolio as a partnership has no impact on this arrangement.

Why is using a simple deed of trust not preferable to using a partnership – like the old days?

For many jointly-held property portfolios, only a small number of properties may need the ownership structure changing to achieve the desired income split for the portfolio owners. However, since the reduction in the SDLT threshold to £40,000, and the introduction of the 3%+ additional SDLT for second homes, in many cases an unwelcome SDLT charge can result from the use of a deed of trust, based on the proportion of mortgage that is also deemed

to transfer from one person to another. Also, if the joint owners are not married, a CGT charge could also result from a beneficial interest transfer via a deed of trust.

How is a 'simple' partnership different to an LLP (Limited Liability Partnership)?

A 'simple' partnership is effectively a tax-reporting entity – rather than a legal

entity in its own right. So, it isn't possible for a 'simple' partnership to

itself own property (which is why there are no 'partnership mortgages' available).

The main downsides of an LLP are that:

- 1. Annual LLP accounts need to be filed with Companies House, just like for a company ("Companies House" should really be called "Companies and LLPs House"), which incurs typically similar or higher accountancy / tax-planning fees as for a company**
- 2. And, the property portfolio balance sheet (property values less mortgages, plus cash at bank, etc) is also reported on the public record (which isn't a requirement for a personally-owned property portfolio, as reporting is only required to HMRC via the annual tax return filing). So, tenants, family, nosey-neighbours, can all see what the portfolio net worth is ...**

Given that the tax treatment of a 'simple' partnership and an LLP is identical, in most simple cases a 'simple' partnership is preferable to an LLP (there are some limited cases where this isn't the case, but this is rare for property investors).

In summary ...

Using a 'simple' partnership can be useful in allocating property profits in the most beneficial way to ensure that each individual's tax status is fully utilised. Mortgage lenders don't need to be informed about the formation of a 'simple' partnership (unlike where beneficial interest in a personally-mortgaged property is transferred to a company), and so using a 'simple' partnership can enable many landlords to significantly reduce their exposure to Section 24 mortgage interest relief restrictions (possibly in conjunction with an add-on property management company, depending on profits and Section 24 exposure).

How can I involve family members in the partnership if they don't own any rental property?

It is possible to involve family members, or trusted friends / business partners, if those individuals also contribute property to the partnership. Crucially, the partnership's overall profits don't need to be split in the same proportion that each individual partner has contributed properties to the partnership.

This therefore provides useful flexibility in terms of allocation of income between partners, ideally to ensure that each partner's Personal Allowance and Basic Rate income tax band is used, to the benefit of the owners in total (so, this is especially useful where the partners are all family and are so happy to allocate income tax-efficiently to the benefit of the family as a whole).

If there are adult (18+) potential partners who don't have any rental properties, it may also be possible to allocate some beneficial interest in some partnership properties, via a deed of trust transfer (taking care not to trigger SDLT / CGT tax charges by calculating carefully how much interest in each property to transfer).

MORTGAGE UPDATE

By **Stuart Yardley** - Trafalgar Square Financial Planning Consultants

IMPACT OF NEW EPC REGULATIONS ON LENDING

The BTL lending market has seen very few changes over the past month as interest rates have started to settle again.

One new requirement that will start to influence lending before long is the new regulation pertaining to EPC ratings. As it will be against the law to grant a new tenancy agreement on a property that doesn't have an EPC rating of 'E' or above, this regulation will have an impact on BTL lending.

BTL lenders will not lend on properties that fall below the 'E' rating unless they have a valid exemption certificate, so bear this in mind when you are looking at finance options. To purchase properties that fall below this rating you will be looking at either a cash purchase or bridging finance.

PORTFOLIO LANDLORD REGULATION

As we are now through the first quarter of 2018, I thought this month that I would share with you some of the experiences and challenges of dealing with the new portfolio landlord regulation. I'll also pass on some tips on how to prepare for applying for finance.

Under this new regulation, we have found that one of the biggest challenges for investors has been the requirement of a full portfolio schedule.

If you are a portfolio landlord one of the first documents your broker will ask for, to be able to assess individual lender options, is

an up-to-date portfolio schedule. The information lenders will require is shown in this spreadsheet template below. (Please email me if you would like an Excel version of this.)



This document is vital in assessing lending, as each lender will have their own requirements for viewing the information. Within their own parameters, they will need to see the following:

- **Overall loan to value**
- **Overall rental stress test based on level of borrowing**
- **Any individual properties that don't fit the standard lending stress tests**

Key to this is that all values and rental figures will be verified by the lenders through their own electronic checks. It is therefore vital that your valuations figures and rental incomes achieved are as accurate as possible.

One of the biggest challenges we are experiencing on portfolio lending is that we base the lending options on the portfolio

provided upfront by the investor. Finding out at a later date that the figures are not correct can have a big impact on lending options. The lender then will carry out their own additional checks on the portfolio after an application has been submitted to verify these figures.

I would recommend carrying out a review of your portfolio values every three months so that you have figures that are as accurate as possible. This effort will help you with your finance options moving forward.

(If you would like any advice or help with completing the portfolio schedule I would be happy to assist – please just get in touch and we can book a convenient time over the phone to go through your individual situation.)

In addition to the schedule, there are also the additional forms that most lenders will need. Preparation is key for completing these, as they can be time-consuming. Most investors have all the information available ... it's just a matter of taking the time to put it into the lenders' templates.

The typical forms required will be:

- **Assets and liabilities statements**
- **Cash flow forecasts**
- **Business plans**

Given the challenges, I thought it might be a good idea to spend some time each month running through these additional forms individually, to give you a guide to the type of information required. This month: the business plan.

Portfolio landlord business plans

Each lender will ask slightly different questions but the key questions and areas to expect are as follows.

INVESTMENT STRATEGY

Lenders will ask for your main investment

APPLICANT(S):

DATE COMPLETED:

	Property Address	Mortgage Lender	Mortgage Account No.	Current Value	Mortgage Outstanding	Monthly Mortgage Payments	Current Rent Received PCM	Original Purchase Price	Original Purchase Date	Mortgage Holder/s	Managing Agents or Self Managed? (agent's details if applicable)	Limited Co. Owned Y/N	HMO Licenced Y/N	Type of Property	No. of Bedrooms
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
				Totals	£0	£0	£0	£0							

strategy and will normally give you a tick box answer option between:

- **Sole source of income**
- **Additional income stream**
- **Capital appreciation**
- **Retirement planning**
- **Other – where you can provide details**

This is quite straightforward and will likely have multiple answers.

BACKGROUND

The lenders are purely looking at an overview of the investor's experience in residential property investments, and to get a feel for the applicants/directors involved in the transaction.

OPERATING MODELS

- **Single residential investment properties**
- **Multi-unit freeholds**
- **HMOs**
- **Other ...**

Again, quite a straightforward answer – just select all options applicable.

TENANT PROFILES

The lender is looking for an overview of the type of tenants that you house in operating your business.

- **Single family residence**
- **Student lets**

- **Company lets**
- **Social housing lets**
- **Multi occupants/HMOs**

INITIAL TENANCY AGREEMENT PERIODS

- **Six months to one year**
- **More than one year up to three years**
- **More than three years up to five years**

AVERAGE LENGTH OF TENANCY

- **Less than 12 months**
- **12-18 months**
- **19-24 months**
- **25-36 months**
- **More than 36 months**

PROPERTY MANAGEMENT

- **Letting agent used to source and manage**
- **Letting agent used to source but self-managed**
- **Fully self-managed**

The lenders will then go on to look at voids and tenant arrears, and how you manage these. Typical questions include:

- **Average void period**
- **Details of how you deal with rental voids**
- **Have you experienced tenants with more than one month of arrears or any evictions?**
- **How these situations were managed**

Generally, they will want to know about your future plans. Expect to provide some or all of the following:

- **Do you expect your net rental income to increase, decrease or remain the same? And your reasons for this**
- **What are your plans for your rental portfolio over the next five years?**
- **Proposed future purchases – how many you are proposing to purchase over the next 12 months, average spend on these purchases and estimated borrowing requirement?**
- **Proposed disposals – how many properties are you considering selling in the next 12 months, total value of these properties, how much your total borrowing will reduce by and the reason for the disposals?**

As you can see, the business plan provides a lender will a full overview of your current portfolio and future plans.

Each lender generally has their own template, but it's worth having this information prepared so you can easily pull it all together to save time and speed up the process. If you would like copies of a few different lenders' forms so you can get a clearer picture, please send me an email.

REMORTGAGES AND LONG TERM FIXED RATES PERSONAL BORROWING

With rates starting to rise, we have naturally seen an increase in investors looking to refinance properties to release equity to purchase. Some are also taking advantage of some excellent longer term fixed rates that are available, so they can lock in with rates while they are still low.

Here is an overview of some of the long term fixed rates available for remortgages. As always let me know if you would like to discuss your own personal situation

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
The Mortgage Works	80%	3.59% 5 year fixed	2% arrangement fee
Virgin Money	75%	2.64% 5 year fixed	£1,995 arrangement fee – £750 cash back
Coventry/ Godiva	75%	2.79% 5 year fixed	£1,999 arrangement fee – free valuation and free legal remortgage service
Skipton Building Society	75%	2.68% 5 year fixed	£995 arrangement fee – free valuation and free legal remortgage service
Coventry/ Godiva	65%	2.39% 5 year fixed	£1,999 arrangement fee – free valuation and free legal remortgage service

LIMITED COMPANY MORTGAGE OVERVIEW

The limited company mortgage enquiries continue to increase. Here is an overview of some of the single-let mortgages available for limited companies.

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
Kent Reliance	80%	3.69% 2 year fixed	1.5% arrangement fee
Paragon	80%	3.49% 2 year fixed	0.5% arrangement fee
Precise Mortgages – remortgage only	75%	2.39% 2 year fixed	3% arrangement fee Free valuation £300 cashback
Precise Mortgages	75%	2.89% 2 year fixed	2% arrangement fee
Precise Mortgages	75%	3.49% 5 year fixed	2% arrangement fee

As always, I am available to chat if you require any advice on a BTL or residential mortgage, or commercial, bridging or development finance. I work with investors throughout the country with property investment opportunities, from those buying their very first BTL property to experienced landlords, so please give me a call or send me an email.

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BOOST YOUR PROPERTY BUSINESS WITH A SSAS

A Pensions Case

Interview: **Jayne Owen** Words: **Angharad Owen**

Regular readers will be familiar with The Landlord's Pension and the occasional series of articles and case studies they publish in YPN. In this edition, we're pleased to be joined by **Mike Holt** and one of his clients, **Andy Tunstall**.

The Landlord's Pension specialise in ... you guessed it, pensions for landlords and property investors. In this article, we're going to be finding out how Andy used his SSAS to boost his property business.

YPN: Mike, what is a SSAS, and how does it sit within today's pension structures?

MH: A SASS is a Small Self-Administered Scheme, reserved for directors or senior staff of a company. It allows the owner to have flexibility and control of where the funds are invested, among many other benefits.

People generally have no idea where their pension is currently being invested, what return they're achieving or how much they're likely to receive in retirement. Consequently it has become quite common in the past few years to want to take some control over the funds.

A pension is essentially a bank account benefiting from tax-free returns, but with no debit card. There are many ways of using pensions. It's important to understand them and figure out which methods best meet your requirements and goals.

YPN: Andy, tell us how your pension was structured beforehand.

AT: I had three schemes through different employers. I'd worked for 31 years before I realised I wanted to do something with the money. I had two defined benefit schemes and a money purchase scheme.

To transfer, we had to tell each provider that I wanted to move the fund into a SSAS. The transfer process took about six months.

YPN: Why does it take so long?

MH: Pension providers are cautious of transferring funds for fear of pension liberation. This is when people try to access their funds before the age of 55. Some providers hide behind these rules to delay a transfer as they'd rather keep the money to run up annual charges.

YPN: Andy, what changed for you to want to have full control over your funds?

AT: In 2016, I took redundancy from my employer, British Gas.

At that point, I had the opportunity to review my pension. I heard a talk at a networking event about having access to your own pensions in a property context. I met Mike not long after and it sounded like the SSAS would be the best vehicle for my wife and me.

I have an angel investor who calls the SSAS a "director's pension". The move from corporate life to a property business and maximising our assets has come together quite quickly.

YPN: Did you have any previous experience of property?

AT: My wife had two BTL flats that she had a reasonable return on. But that's it. We set up our property company in January 2017. We spent the first two months looking at the various strategies available. We settled on rent-to-rent for serviced accommodation after attending Francis Dolley's two-day training session.

Our first rent-to-rent SA was secured in April. Two others followed soon after. These are in Reading, Winchester and Basingstoke. Our fourth – the one we'll be talking about here – was bought in December.

We went from zero to four properties in a year. We were keen to prove that we could get the model to work, as it's important to have a good price and occupancy balance. Sometimes we were spot on, other times we weren't. We entered 2018 with a much better understanding of what we needed to do.

YPN: How big are the R2R properties? Are they apartments or houses?

AT: They are two-bedroom apartments. We worked out that two beds and a sofa bed in the living room was just right, allowing a maximum of six people.



YPN: How did the pension fund enable you to move forward?

AT: We didn't really like paying guaranteed rent, but did like the SA model. We asked Mike if there was anything we could do with the pension fund to boost the business.

A SSAS can make a loan up to half its value to an associated company. But there are some conditions; it must be repaid over five years at 20% of the capital each year and have a charge over the property. It forces you to find BMV deals as the market value of the property has to be greater than the purchase price.

Although we were looking for apartments in cities with a university and good business and tourist visitors, we came across a three-bed detached wooden lodge in Cornwall that was on the market for £155,000. Compared to its competitors, it was incredibly cheap. It was commercially valued at £200,000, so it fulfilled the criteria for being BMV.

We transferred the funds and made a cash purchase.

YPN: Tell us about your plan for the lodge.

AT: It probably won't gain much capital growth. But that doesn't affect our plans as we focus on cash flow.

We did some research on other lodges in the resort; the occupancy rates, price points, ownership, etc. Some lodges are resort-owned, others are independent. Our strategy is to undercut the company-owned lodges, but still get a reasonable occupancy rate. We expect 55%-60% per year. Already, 100 nights are booked for 2018 (at the time of writing).

MH: The deal was a cash purchase. Andy has been able to utilise his pension to acquire the asset, so hasn't had to put in any of his own personal cash or business funds into acquiring it.

YPN: What sort of cash flow are you looking at?

AT: Using the 100 days we currently have booked as an example, we have a gross income of £15,000. After costs like maintenance, cleaning, changeovers and interest, the net income is around £7,000. I expect the number of bookings to double this year, giving us around £15,000 net. Which is a 10% return.

YPN: Are you going to refinance?

AT: We have done it up a little, so hopefully the value has increased to around £240,000 - the market price of the other lodges in the resort. We're trying to get a 75% commercial mortgage, so the value will be based on profitability as well as wood-and-mortar.

It should allow us to take out £180,000, which will help repay the pension fund. Even with some equity left in and a commercial mortgage indenting the profits, the cash flow should still be respectable.

And then we can do it all again! We have a good management company here, so are now looking for other opportunities in the area. Hopefully by Christmas we will be looking to buy another property in cash from the pension fund.

YPN: Do you have any other pension investments?

AT: Yes. Our plan with the pension is threefold. The property in Cornwall is the first. Second, The Landlord's Pension has administrated investment funds in the UK and Germany, where our average return is about 8.5%. Our final plan is to take 5% of the fund to acquire shares in companies that are in renewable energy or seek further bargains in Cornwall.

YPN: Are there any restrictions when using a pension in this way?

MH: The loans from the pension scheme are restricted at the value of the assets or 50% of the value of the pension, whichever is lower. Andy bought his property for £155,000, with a valuation of £200,000. The maximum loan was based on the valuation, not the purchase price, allowing him to borrow more from the pension than the price of the investment. If the valuation is at a sufficient value, you can borrow enough money to purchase the asset, pay the purchase costs and do some refurb too.

YPN: What process does an investor have to go through to access the funds to make this kind of purchase?

MH: Each client has a different set of circumstances with different goals. Our aim is to understand their current position and what exactly they'd like to do with the pension.

For example, we realised early on that Andy wanted access to funds to grow his property business. It's about the overall goal and seeing what can and can't be achieved, then following a suitable process.

We aim to make the process as hands-off as possible for clients.

AT: Mike's company is excellent at managing the process.



We only had to fill out about six forms, get the RICS valuation, and send them to the pension administrator. It wasn't difficult at all.

YPN: Did you deal directly with the pension administrator or work through The Landlord's Pension?

AT: A bit of both. If I needed technical advice or had a question on strategy, I always asked Mike as he knows what can and can't be done within the scheme. But if it was an admin issue, like needing to know which forms needed to be filled out, I contacted the pension administrator.

YPN: What comes first, find the deal and release the funds, or release the funds and then look for a deal?

MH: That's always a difficult one! But you must look at it from the perspective of setting up the pension in the first place. When you apply to HMRC to establish a SSAS, it can take up to 12 weeks. It's important to take that into account. Approaching a vendor and saying you'll be a cash buyer in 12 weeks' time may not work so well.

YPN: What effect has this had on your property business overall, Andy?

AT: Already, this investment is performing better financially than the other three properties. Taking on one of these a year would be better than taking on more R2R apartments.



Click here to listen to more from Mike & Andy

Andy is offering a 10% discount off Booking.com rates to YPN readers for anyone who books his lodge in Cornwall directly. Contact him directly for details at andy@noblepropertymanagementlimited.com

If you would like to find out more from The Landlord's Pension, visit their website: www.thelandlordspension.co.uk. Or you can download their free SSAS guide by using this link: <https://www.thelandlordspension.co.uk/ypndownload>

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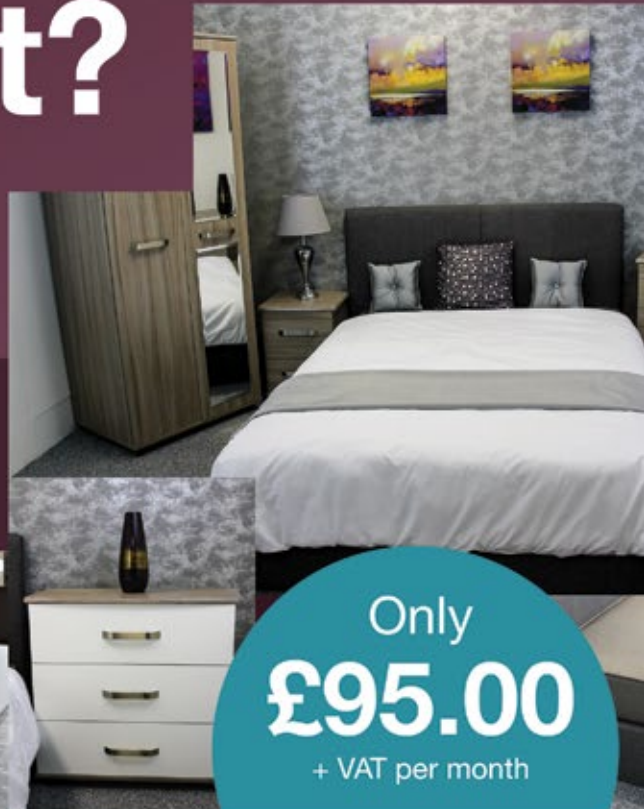
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EPCs: HOW TO STILL LET F OR G RATED PROPERTIES

By David Lawrenson

Even after 1st April

David Lawrenson of www.LettingFocus.com explains how you can still let a property that has the lowest F or G ratings on the EPC.

First, just a quick reminder for those of you at the back who've been sleeping and all those new to being a landlord.

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 set out the requirement for domestic private rented properties to have a minimum EPC rating of E. (The lowest/worst is G and the best is A.)

- From 1st April 2018, landlords were prohibited from granting new tenancies for properties with an EPC rating below E. This includes extensions and renewals of existing tenancies, or a tenancy becoming a statutory periodic tenancy following the end of a fixed shorthold term.
- From 1st April 2020, this restriction (on landlords letting out F or G rated properties) will be extended to cover **ALL** existing tenancies – even when there has been no change in tenancy arrangements – for properties falling within the scope of the regulations.

Local authorities will enforce compliance and non-compliant landlords could face a financial penalty of up to £5,000. Ouch!

The EPC must be shown to any tenants who come to viewings and provided to them at the start of the tenancy. (We supply it with the property advert, and also have tenants sign the tenancy agreement to indicate that they have seen it, along with the government's "How to Rent" document, and that they confirm all smoke alarms are working at the start of the tenancy.)

Properties covered include any domestic privately rented property that has an EPC, and is either required to have an EPC or is within a larger unit which itself is required to have an EPC either at point of sale or point of let.

The meaning of "domestic privately rented property" here covers:

1. Properties let under an assured tenancy or a shorthold
2. A tenancy which is a regulated tenancy for the purposes of the Rent Acts



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3. Properties let on a tenancy which is an assured agricultural occupancy or on a protected tenancy under the Rent Act 1976 or on a statutory tenancy under that Act.

So most things really!

THE MAIN EXEMPTIONS

What happens if you did your best, carried out improvements designed to increase the energy efficiency (and EPC score) but the property still gets only an F rating? Will you be allowed to let it?

That will depend on whether you can claim one of the exemptions set out by government. These apply as follows ...

Where you carried out every recommendation or "relevant improvement" as recommended in your EPC advice, but the property still came up short.

Where you have not been able to get the consent of a third party to carry out an improvement, for example, the consent of your mortgage lender or that of a local authority or even a tenant in situ. A local authority objection is most likely to occur where the improvement needs buildings regulation approval, planning permission or listed buildings consent.

Where you got advice in writing from an independent surveyor that doing the works would devalue the property by more than 5%. This could include flats, where doing the works could devalue the building in which the unit sits by the same amount.

Finally, and linked to the third exemption, where you obtained a written opinion from a suitably qualified person, such as a surveyor or an independent installer engaged to install the measure, advising that it is not an appropriate

improvement due to potential negative impact on the fabric or structure of the property (or the building of which it is part). This exemption is only in relation to wall insulation.

PRS EXEMPTIONS REGISTER

If one of these exemptions applies, you will need to register it on the "PRS Exemptions Register".

An exemption, once registered on the PRS Register, is valid for five years except where a tenant has

withheld consent for energy efficiency improvements, in which case that exemption is only valid until that tenant's tenancy ends (or after five years, whichever is sooner).

If you get an exemption, make a diary note to renew it in five years' time.

Exemptions do not pass to any new owner or landlord of a property upon sale or other property transfer. If a let property is sold or transferred, the exemption ceases. The new owner will need to either improve the property to the minimum standard or register an exemption where one applies.

The Register is an online process and does not cost anything to complete but you will need to have the correct supporting evidence (relevant documentation and information) available when you apply. So, for example, copies of any correspondence and/or relevant documentation showing that consent for a relevant energy efficiency measure was refused, or was granted subject to a condition that the landlord could not reasonably comply with.



David Lawrenson is the founder of LettingFocus.com and an independent expert and consultant in residential property investment. He specialises in providing independent advice on BTL and property investments. Contact him at david@lettingfocus.com

He is the author of three books: "Successful Property Letting - How to Make Money in Buy to Let", "Buy to Let Landlords Guide to Finding Great Tenants" and "Tenants Guide to Successful Renting".





How I invested my old employer pensions into property at age 49

Simon King - Former financial advisor

PROPERTY & PENSION INVESTMENT SUCCESS STORY

Former financial advisor, Simon King, spent his early years in the equity markets advising clients on the best shares to invest their pension funds into. He's moved on a bit since then, 'in awareness, not looks' he quips whilst explaining how he moved his pension funds away from the volatility of shares and into property. The key point, Simon tells us, is that he did this at age 49 - he didn't wait until age 55 as many people mistakenly believe you have to. "I regularly hear that you have to be age 55 to invest your pension into property but in actual fact, you can do this at any time before or after reaching age 55." He continues "By investing the pension fund into property you are not actually cashing the pension in; it remains a pension scheme but the money is just invested in a different class of investment. In my case I chose property."

In his current role as a Business and Property Pension advisor at The Landlord's Pension, Simon is seeing more people doing the same. "Why would you leave your money to be managed by a third party suffering the volatility of the share market when you can invest directly into something that is so easy to understand and at low cost?"

Moving a pension into property is a simple process and having been through the process himself, Simon advises his clients of this on a daily basis: "I had some old pension schemes that I had left behind at a former employer, and although I was in the industry, dealing with my own financial affairs was last on the list of things to do. Thankfully I took action and quickly got them into a property investment that is paying me a fixed return of 1% per month (12%p.a. tax free). The best part is that I don't have to do anything. It's a hands-off property bond investment with full security to protect my capital, and of course, because I am using money in my pension, the returns are tax free."

Simon concludes with some good advice: "If you're an astute business person with a limited company and an interest in property then you should be establishing a low cost SSAS pension to make the best use of your old employer pensions. As a company director you can use the money within your own pension not just to invest in different assets such as freehold property or property bonds, but you can also invest it in your own company. The best thing to do is get your pension statements out and then start to consider how a business pension, technically known as a Small Self-Administered Scheme (SSAS), could help you."

YPN readers can find Simon co-hosting the Berkshire pin meeting every third Monday in Maidenhead or in his Oxford office throughout the week. Simon is also a guest speaker at property networking events.

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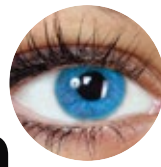
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LEGISLATION UPDATE



TWO CHANGES TO HMO LICENCE CONDITIONS FROM 1ST OCTOBER 2018

By Mary Latham

NATIONAL MINIMUM ROOM SIZE

The Statutory Instrument to set a new national minimum room size for HMOs was finally published in March. It has been approved by parliament to commence on 1st October 2018.

This is an amendment to **Schedule 4 of the Housing Act 2004 (licences under Parts 2 and 3: mandatory conditions).**

The Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018

New legislation: <http://bit.ly/MaryLathamYPN119-HMOLicensing>

Statutory Instrument: <http://bit.ly/MaryLathamYPN119-StatutoryInstrument>

MINIMUM SIZES FOR SLEEPING ROOMS

EXTRACT

"Amendment to Schedule 4 to the Housing Act 2004 2.

In Schedule 4 to the Housing Act 2004 (licences under Parts 2 and 3: mandatory conditions), after paragraph 1 insert –
"Additional conditions to be included in licences under Part 2: floor area etc

1A. – (1) Where the HMO is in England, a licence under Part 2 must include the following conditions.

(2) Conditions requiring the licence holder –

(a) to ensure that the floor area of any room in the HMO used as sleeping accommodation by one person aged over 10 years is not less than 6.51 square metres;

(b) to ensure that the floor area of any room in the HMO used as sleeping accommodation by two persons aged over 10 years is not less than 10.22 square metres;

(c) to ensure that the floor area of any room in the HMO used as sleeping

accommodation by one person aged under 10 years is not less than 4.64 square metres;

(d) to ensure that any room in the HMO with a floor area of less than 4.64 square metres is not used as sleeping accommodation."

Schedule 4 to the Housing Act 2004 2 says:

EXTRACT

"1) This Part provides for HMOs to be licensed by local housing authorities where –

(a) they are HMOs to which this Part applies (see subsection (2)), and

(b) they are required to be licensed under this Part

(2) This Part applies to the following HMOs in the case of each local housing authority –

(a) any HMO in the authority's district which falls within any prescribed description of HMO, and

(b) if an area is for the time being designated by the authority under section 56 as subject to additional licensing, any HMO in that area which falls within any description of HMO specified in the designation."

So from 1st October, any HMO that needs a **Mandatory Licence**, OR any HMO in an area that the local authority has designated an **Additional Licensing** area, will need to meet these standards.

There is, however, no mention of an area that has been designated for Selective Licensing. I have always maintained that Selective Licensing does not apply to HMOs even though most local authorities include them in Selective Licensing. That's a discussion for another day.

MANDATORY LICENSING CRITERIA CHANGE

The criteria for Mandatory Licensing is changing from **1st October 2018**. This change will include all HMOs where five or more unrelated people share facilities, regardless of the number of occupied floors.

There is no grace period. Applications for a Mandatory Licence must be in BY 1ST OCTOBER 2018. Otherwise we will be operating illegally and subject to the consequences, including the fact that a tenant can reclaim up to 12 months' rent through a rent repayment order.



CHILDREN UNDER TEN

The government intended to remove the smaller room size for children under the age of ten but obviously had second thoughts. This will help landlords who let to two single parents, each with a child, in properties that have a small bedroom, and will apply to properties in areas where Additional Licensing has been introduced.

CLARIFYING THE GRACE PERIOD

It has been said that the new minimum room sizes will apply after an 18-month "grace period" from 1st October but **that is not what this Instrument actually says.**

EXTRACT

"1. – (1) These Regulations may be cited as the Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018 and **come into force on 1st October 2018.**

(2) The amendments to the Housing Act 2004 made by regulation 2 **do not apply to a licence granted before 1st October 2018+.**

(4) Conditions which apply if –

(a) any of the conditions imposed pursuant to sub-paragraph (2) or (3) have been breached in relation to the HMO,

(b) the licence holder has not knowingly permitted the breach, and

(c) the local housing authority have **notified the licence holder of the breach, and which require the licence holder to rectify the breach within the specified period.**

(5) In sub-paragraph (4) the specified period means the period, of **not more than 18 months** beginning with the date of the notification, which is specified in the notification."

In other words, **the new minimum room sizes do not apply to existing HMO licenses issued, nor those issued before 1st October, until the licence needs to be renewed.**

It is only **on the granting of a licence with this condition attached that the "grace period" of a maximum of 18 months applies – BUT a local authority could apply a shorter period.**

One can only hope that local authorities realise this would mean evicting tenants who already live in a property with a room below the minimum size. Local authorities also need to understand that the average period from service of notice to possession is currently 45 weeks.

More to the point: where the tenant is in a fixed term, a Section 8 Notice would be needed. There is no ground that I am aware of that covers this eventuality.

Local authorities with student communities should also recognise that most student groups take the whole HMO on a joint fixed term tenancy. So the whole group would need to be evicted at a time when they are studying, and also when they would find it very difficult in most parts of the country to find alternative accommodation. I am sure this is the reason that the maximum period for compliance is 18 months after the landlord has been given a Notice.

"The new condition does not apply to existing licenses until they are due for renewal (after 1st October 2018). Many local authorities already include a minimum room size in their conditions. This would not change until renewal"

Keep a close eye on any consultation relating to the introduction of **Additional Licensing** in your area, because any designations will include the new minimum room sizes as a condition of the licence.

WHAT IS FLOOR AREA?

Throughout the Instrument, the term "floor

area" is used in relation to the minimum room sizes, but at no point is the term clarified.

Any area with a ceiling height of less than 1.5m will not be counted as "floor area".

It will be at the discretion of each local authority to decide what is counted.

Does a fitted wardrobe constitute "floor area"? Most landlords would argue that any wardrobe uses floor space, so that space is usable. The alternative – removing a fitted wardrobe and replacing it with a movable one – would not make any real difference to the facilities available to the tenant, other than being able to move it and therefore use the floor area for another purpose. I know of some local authorities who apply this ridiculous rule at the moment.

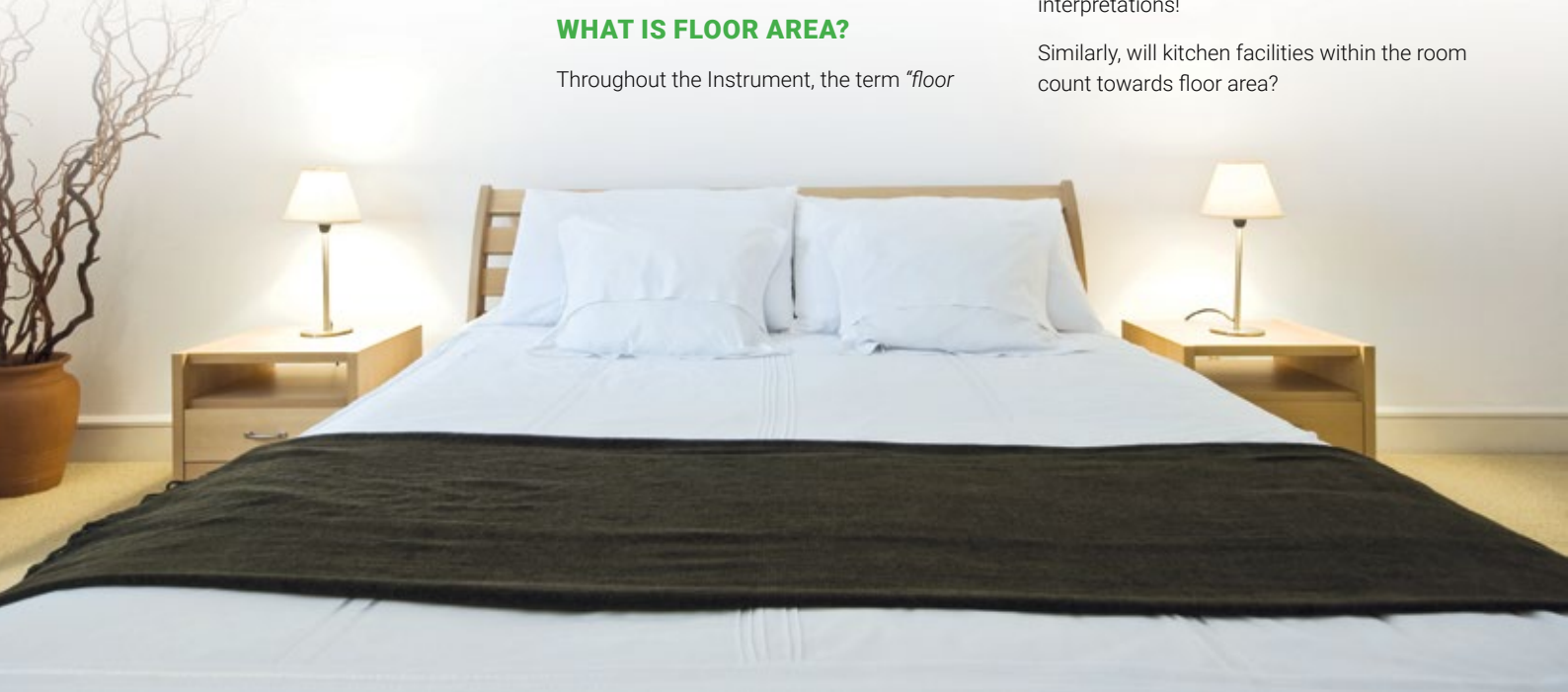
Carry this argument to a logical conclusion and what about fitted beds? Or fitted draw units? Case law may clear this up, but why would any government allow a change of legislation to cause more problems than it solves?

We all understand this issue has been caused by the landlords who have chopped properties into stupid small units. A landlord who has used part of the floor space of a room, which originally met the size criteria, to provide usable facilities should not be penalised. Otherwise I can see lots of hammocks appearing in HMOs!

I recently read about a valuer who reduced the value of the property because the "swing of the door into the room took up space that could not be used" ... therefore the room was below the anticipated minimum size! Obviously lenders will take account of usable rooms on valuation because of the potential to reduce the rental income. This reinforces why the Statutory Instrument needs to include a clear definition.

Will an en-suite bathroom be considered part of the sleeping room, and the area it occupies added to the "floor area" – or not? This is also not mentioned, so again will cause different local authorities to make different interpretations!

Similarly, will kitchen facilities within the room count towards floor area?



WHAT ABOUT SHARED FACILITIES?

Something I find interesting is that there is no mention of other rooms available for use within the HMO. Until now local authorities have used the "overcrowding" standards in Chartered Institute of Housing standards. This guide has different minimum sleeping room sizes, depending on what other shared facilities are available.

Up to five occupiers:

- Each combined living room / kitchen – **11 sq m**
- Each living room (without kitchen facilities) – **9 sq m**
- Each bedroom for single occupancy – **6.5 sq m**
- Each bedroom for double occupancy – **10 sq m**
- Each bedroom for single occupancy where there is no communal living room – **10 sq m**
- Each separate kitchen – **3.5 sq m**

"I cannot see any local authority reducing their minimum room size criteria"

I expect those using the above guide will just increase the size for a double room slightly to 10.22 sq m (which will be the national minimum) but continue to refer to the requirement for other communal space when applying minimum size for a single room.

What they will not be able to do, as some have in the past, is allow one room in an HMO to be up to 10% below the minimum because other rooms have been above the required minimum. This will impact on Victorian terraces that often have a wing back bedroom slightly smaller than 6.5 sq m, and some more modern properties built with "box rooms" that are often used as bedrooms.

In converted properties, it may be possible to move a stud wall to gain a little space. Sometimes landlords move doors into corridors to gain space inside the room. An interesting question will be whether the latter will be counted as "floor area" – though in fact it is a small corridor inside the bedroom!

My brain hurts!

PROPERTY MANAGEMENT

Some good news on this score:

EXTRACT

*"(7) In this paragraph a reference to a number of persons using a room in an HMO as sleeping accommodation **does not include a person doing so as a visitor of an occupier(s) of the HMO.**"*



WASTE MANAGEMENT

In addition to the minimum room sizes, which must be added as an HMO licence condition, local authorities must add a condition on waste management.

EXTRACT

"Additional conditions to be included in licences under Part 2: household waste 1C. Where the HMO is in England, a licence under Part 2 must include conditions requiring the licence holder to comply with any scheme which is provided by the local housing authority to the licence holder and which relates to the storage and disposal of household waste at the HMO pending collection."

It has always been a part of the **Management of HMO Regulation** that the property manager must manage waste from the HMO. Many local authorities have already included this as a licence condition. **All authorities must do so for licences issued after 1st October.**

This is one of the biggest issues for local communities and often why residents call for more licensing of landlords. It appears in consultation documents when local authorities are proposing **Additional or Selective Licensing**. **BUT** landlords of non-HMOs have no legal obligation to manage storage and removal of waste, other than what they have caused themselves.

Normal household waste and rubbish is the occupier's responsibility in non-HMO properties. Communities who think that Selective Licensing will solve this problem are misled when local authorities fail to manage their expectations. On the other hand, it is relevant to HMOs, whether licensed or not. Even where an HMO is let to a group of sharers on a single AST, the landlord/property manager must ensure that waste is stored in a way that does not encourage rodent infestation, or animals or birds to scatter it around the area. They must ensure that waste is placed in the correct receptacles where local authorities have provided separate bins for different waste, and that those bins/bags are put outside of the boundary of the property at the appropriate time on the appropriate collection day.

This is one of the issues which cause HMO owners to say, "do we have to do everything for them"? The answer is "yes" if the tenants cannot be relied upon to do it themselves, because it is part of HMO management.

Local authorities adding this to an HMO licence condition will make it clear to HMO owners that this is a legal responsibility. Hopefully, this will reduce concerns from the community, which will be good for everyone. An HMO owner who doesn't deal with this issue will face penalties for breach of licence conditions.

Regardless of these changes, a local authority can always apply extra conditions to an HMO licence, so long as they are within the law. It remains important to check with each local authority to find out exactly what they require before you develop a new HMO or buy an established one. The penalties for breaching licence conditions are steep and should be avoided.

Over the past few years HMO standards have increased in most parts of the country, largely because of tenant expectations. The more we see this, the less likely it will be that regulation continues. The government and local authorities are well aware that HMOs make an important contribution to housing provisions across all tenant types, so please don't be despondent.

Mary Latham is the author of
**"Property for Rent - Investing in the UK:
Will You Survive the Mayhem?"**





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OUTSOURCING PROPERTY MANAGEMENT

Reduce costs by outsourcing on a PAYG basis

By **Mark Poole, PhD**

After much wailing and gnashing of teeth amongst landlords, Section 24 is finally upon us.

From 2020 onwards, landlords will only be able to offset 20% of their mortgage costs as an expense. However, the implementation is even more insidious than that. Your total revenues (minus allowable expenses, but before mortgage interest costs) will be used as the gross figure from which your tax calculation will be derived, before mortgage interest costs are applied.

It is entirely possible to be a basic rate taxpayer in your day job but be pushed into the higher rate tax bracket by your rental income. Equally, it is entirely possible to not make a realisable profit in your property rental business, and still have to pay tax. Property held in a limited company is not (at the moment) affected. But those with portfolios in personal names, where a transfer to a limited company is not necessarily viable due to capital gains and SDLT to pay, need to look at mitigation strategies.

In a nutshell, a business can increase profits in two ways:

- 1. Increase revenues (assuming the same profit margin)**
- 2. Reduce costs**

As landlords, the only opportunity we have to increase revenues is to increase rents. However, this can only be taken so far and may not even be possible from current levels as we are constrained by market rents and other landlord behaviour in our local areas.

So, to mitigate Section 24 effects, we have to look at reducing costs. One major cost is the expense of managing a portfolio. Landlords traditionally either self-manage, or hand it over to a letting agent. Depending on where in the country you are based, a letting agent could charge anything from 7%-14% + VAT. On a reasonable portfolio, especially one in the South East, this can be a sizable amount.

SELF-MANAGING

You can opt to self-manage your portfolio. Anyone who has done this will say you soon learn that property investment is not passive! Both the property and tenants need managing, which can involve a significant time and energy commitment. It won't always be at a time convenient to you. A tenant could call at any time of the day, when you are at work, out socialising or fast asleep in bed!

The fact is, no-one invests in property specifically to be a landlord and certainly no-one enjoys being woken up by a tenant at 2am in the morning.

USING A LETTING AGENT

So, a letting agent is an attractive option for a significant portion of landlords. But it comes at a cost and all charge monthly. This means you can pay a significant chunk of your revenues over, even if nothing much needed doing on any particular month.

There is also the issue of finding a good letting agent. The lack of barriers to entry means that anyone could set themselves up as a letting

agent tomorrow. But they won't necessarily be any good and you can end up managing the agent.

It is also important to note that you can't contract out your statutory obligations. For example, a failure to not have a valid gas safety certificate is ultimately your responsibility, not your agent's.

A THIRD WAY: OUTSOURCING UNDER YOUR CONTROL

There is a third way. It is entirely possible to outsource the management of your portfolio on a PAYG basis, leading to significantly reduced costs. You retain total control and can, in fact, have your properties managed in exactly the way you prefer (perfect for the control freaks amongst us!).

A PAYG basis means you would pay next to nothing on a good month if very little happens across your portfolio. In essence, you as the landlord get the reward for having a well-maintained, low-turnover portfolio via reduced costs, rather than a letting agent getting the reward via a fixed monthly payment.



Graduating with a PhD in mathematics, Mark is a Change Management Consultant with over 20 years' experience. He has been a landlord since 2003, with a portfolio concentrated primarily in Swindon and London.

It also means you avoid the downsides of self-managing: no phone calls from tenants at all hours, no round trips visiting properties for inspections, maintenance, conducting viewings or any number of tasks that need doing on a well-managed portfolio. You have this outsourced to a competent team.

However, to achieve this you need **SYSTEMS**.

WHAT IS A SYSTEM?

I am going to define a system as having three components:

- 1 **PEOPLE**
- 2 **PROCESS**
- 3 **CONTROLS**

Let's consider each in turn.

PEOPLE

You need to outsource your property management to the right person. This is no different to recruiting for any job role and should be approached professionally, in the same way.

To do so, define a **Role Profile**. This should set expectations for any applicant around what you are looking for. Typical areas to consider are:

- **Responsibilities**
- **Skills**
- **Knowledge**
- **Experience**

It also acts as a filter to discourage unsuitable applicants.

Armed with your Role Profile, you need to advertise. Some avenues to consider are:

- **Your local network (friends, family or acquaintances that might be interested)**
- **Business networks**
- **Property networks**

In my case, my partner circulated the Role Profile at her local (non-property) business networking event and we successfully found a local office support company interested in the role.

Once you have narrowed down applications to those who appear most suitable for the role, you need to interview them. You are looking for:

- **Quantitative measures: do they have the skills and experience necessary?**
- **Qualitative measures: do you think you could work with them? Do you think they would get on well with tenants and tradespeople?**

Once you have made a decision, try them out on a three-month trial basis to establish if there is a mutual fit. Move some of the "low hanging fruit" tasks over to them and see how they get on. This will ensure they are not overwhelmed and enable you to recover easily if it is not going to work out, before you have invested too much time and energy in handing over everything to them.

For me, this meant making them the first port of call for any tenant enquiries, managing basic maintenance tasks and arranging gas safety certificates.

If it works out and you both want to continue, gradually hand over more tasks at a pace that suits you both.

PROCESS

A process is a set of actions necessary to complete a task. All property management can be boiled down to a set of processes.

It is your job as the business owner to document fully any processes you want to hand over to your outsourcer. These are known as your **Standard Operating Procedures (SOP)** and should document everything you need doing without any assumption on your part.

Your SOP should pass what I call the **Third Party Test**. Could you hand this over to a new recruit without any experience of property management so they can understand and execute it with minimal extra training? If so, you have it right and your SOP also doubles up as a training manual.



Case study #1

To reduce time and cost, you want as many tasks in your SOP to be easily repeatable without reinventing the wheel every time. One example is photographs for the online portals when advertising. With just about everyone beginning their search online, you need attractive photos that encourage people to pick up the phone to arrange a viewing.

So, each time a property becomes empty, I do the following:

- **Arrange for a professional clean**
- **Stage the property (this can be done cheaply through places like IKEA and the items re-used)**
- **Arrange for a professional photographer to take good quality pictures**

This is worth the investment as the pictures can then be re-used every time you market the property.

Don't use your smartphone! A professional has much better equipment and understands how to take better photos than you could.

This one-bedroom flat is tiny, but on using these pictures I had many enquiries along the lines of "your flat looks lovely". Consequently, people book viewings, which is the whole point of the marketing.

If you use a company like OpenRent, then you can book a photographer through their system. My team has my staging kit, instructions on how to dress the property. They stage the property and are there to meet the photographer



The SOP could be a combination of:

- Documents
- Spreadsheets
- Checklists
- Tools

... whatever is required to manage the task at hand. The beauty is that you, as the business owner, get to define exactly how you want your business to be managed.

CONTROLS

Everyone forgets this bit, but it is crucial. It is human nature (especially amongst entrepreneurial types) to assume the best-case scenario and that everything will work out and be perfect, every time.

But this is not the case; everyone is human and makes mistakes. It is still your responsibility, as the business owner, to ensure that everything gets done at the right time and in the right way.

How do you know if something gets done? You implement a control framework. You need a way of checking the key components of your business. For example, gas safety checks. Are they current and up-to-date? Are they being done? Are any overdue?

Just like a CEO, you need to retain management oversight to ensure the smooth running of your business.

TECHNOLOGY

Leverage technology where it makes sense to do so, but remember **KISS – Keep It Simple, Stupid!** Don't over-engineer a solution for the sake of it. Also, don't put technology first: figure out your requirements and find a technology solution that fits, not the other way around. I see many posts along the lines of *"what property management app would people recommend?"* without any consideration given to the user's requirements.

These days, there are a myriad of technologies to assist in all aspects of property management. From tools such as Google Drive for the easy sharing of your SOPs, to companies such as OpenRent to manage the advertising of property, to hubs such as Fiverr.com for just about any task (see **Case Study 2**).

For what it's worth, I don't use a property management app or software, which reduces costs and removes the reliance on one provider.

WHAT DOES IT COST? A PERSONAL EXAMPLE

I have a modest portfolio, predominantly based in the south. This means high rents, so paying 10%-14% + VAT (typical in my area) is a significant sum each month across the portfolio.

Under the terms agreed with the office support company I use, I pay a small retainer per month to cover "at desk" tasks: arranging gas safety checks, taking tenant calls, managing maintenance tasks, etc. The figure was arrived at by looking at ten months of actual costs and taking an average. This helps my team, as it can be difficult for them to track time allocation when taking calls whilst driving, at home, etc. Remember: you need happy staff. It is a two-way street.

Anything additional is paid on an hourly rate and typically covers "away from desk" tasks. This would include inspections and property viewings. I also pay for travel time and travel expenses, which is only fair. Again, we both need to be motivated for this to be a long-term relationship.

This means that on a good month, the retainer is less than 1% of my rent roll. That is a significant saving over a letting agent. My time overhead would be negligible in such instances and reduced to checking my management oversight metrics.

SUMMARY

I appreciate this isn't for everyone and some will be perfectly happy with using a letting agent. However, for those looking to reduce costs without the headache of self-managing, this is a viable alternative.

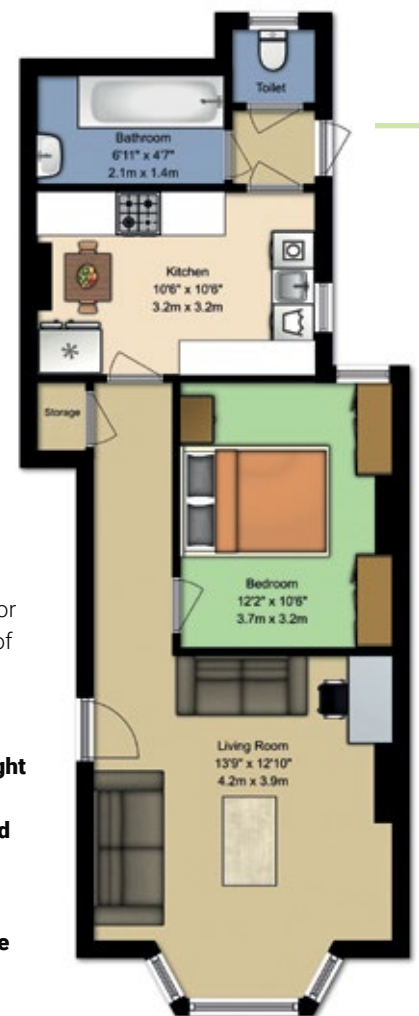
The key takeaways are:

- **There is a large upfront effort in recruiting the right person(s), documenting your SOPs and getting everything up and running. However, you can (and should) reduce the impact by outsourcing in a piecemeal fashion, which also reduces risk.**
- **You have flexibility: outsource as much or as little as you want, exactly the way you want it done.**
- **You need to be on top of regulations, especially on signing up a new tenant. But you should be anyway. How can you be an effective business owner if you don't understand the fundamentals and the regulations? Remember: if a letting agent messes up, it is still your problem!**
- **Get it right and it is considerably cheaper than an agent and a useful mitigation against Section 24.**

Case study #2

Following on from Case study #1: Bypassing agents means I don't get a floorplan. But this can be useful when advertising as it allows prospective tenants to visualise the layout and marry it with the pictures.

This is where online marketplaces like Fiverr.com are useful. I found a qualified graduate architect in Vietnam – more than capable of doing a floor plan! I had a 2D and 3D floor plan complete with sample furniture layout done for less than £8.00, which I can use again and again. I also think it is much better than the usual black and white plans agents produce, which helps my advert stand out.



CONTACT

To get you off on the right foot, I have put together a "Getting Started" bundle, so you can begin the work in outsourcing your own property portfolio management. You can access it here: www.f2bconsulting.co.uk/ypn-offer

If you have any questions, get in touch by contacting me at mark@f2bconsulting.co.uk and I will endeavour to help.

YPN QUICKFIRE QUESTION TIME

THIS MONTH...

RENT TO RENT

Rent-to-rent is perhaps one of the most hotly debated strategies in property. Done lawfully and well, it's a great way to make a start and a terrific cash flow strategy. Nevertheless, the topic invariably gives rise to a stack of questions, and this month, **Francis Dolley** of The Multi-Let Cash Flow System picks up the Quickfire baton to answer your queries on the subject.

Q I've just agreed my first rent-to-rent deal and intend to use the house as an HMO. What permissions does the landlord need to have for in place for me to be able to operate my rental business legally?

A Congratulations on taking the first step! The ideal property is one where the landlord doesn't have a mortgage, and so can do as he pleases. Unencumbered properties account for 65% of all rental properties, so finding them is easier than you might think.

If there is a mortgage, it should be one that allows multi-letting of the rooms within the house. If the landlord has the wrong type of mortgage, it can be changed with the help of a good mortgage broker and we recommend Kevin Wright, who is a regular contributor to YPN magazine.

Possibly more crucial than the mortgage product to get right from day one, is the insurance. A mortgage can be changed, but if an uninsured property burns down, it could get very messy. We use specialist insurers who know exactly what is needed and contact the landlords directly.



Q When operating rent-to-rent or guaranteed rent properties, how do you protect your tenants and your business if something happens to the property owner?

A We've been operating in the rent-to-rent arena now for five years and have a community of over four thousand people. In all this time we have never heard of a landlord going bankrupt, and have only once heard of a poor chap keeling over. In this case we advised the rent-to-renter to pay the landlord's rent into an escrow account until it could be determined who the new owner was. It was decided that the property would be sold, and as legal wheels turn ponderously slow, there was plenty of time to switch the tenants to another property and remove any furniture. The rent-to-renter in this case lost out on some potential profits but, c'est la vie.

We have provisions in our specialist Guaranteed Rent Agreement that protect us against the landlord going broke or trying to end the contract prematurely.

Q I have three HMOs up and running on a R2R basis. My latest deal, however, will be more suitable as serviced accommodation. Does the nature of the agreement and contract with the owner need to be any different to the one I use for the HMOs?

A The Guaranteed Rent Agreement is based on a management contract, and can be used to secure both rent-to-rent and serviced accommodation deals. This contract cost us over £3k to create, and we offer it freely to everyone who has completed the MLCS training event. We always advise them to run it past their own solicitor before they use it though, as it is **THEY** who will be signing it, not us. The great thing about this is that many of those solicitors had their own ideas and suggestions, which we then ran past our own solicitor. That means that over 100 solicitors have now worked (for free) on our contract. (If only they knew!) Of course, if you are using it for serviced accommodation it will need some clauses removed and others added, and to be honest, every deal is slightly different. So we always advise to ... yes you guessed it ... run it past your solicitor first. We happily share our solicitor's contact details with our graduates.

Q A rent-to-rent operator has approached me about renting my property to multiple tenants. What should I be looking for and what checks should I do to make sure that this person is legit?

A You might want to ask how much experience they have, and if you can visit some of their other properties, but don't be put off if yours is the first property they will be managing. They will need to have insurances in place, specifically: Public Liability, Professional Indemnity, Employers Insurance and Legal Expenses. (This sounds like a lot of insurance, but our specialist insurer organises all of this for under £300.) They'll also need to be registered with the Property Redress Scheme (£120p/a) and the Information Commissioners Office (£35p/a). At the time of writing, there are changes on the horizon for the General Data Protection Regulations, but at this time it's unclear exactly what will be required. If I was a landlord giving my property to a rent-to-renter, I would be looking for someone with an absolute passion to make a success of it.

Q I really want to get into rent-to-rent but I'm struggling to understand why any landlord would hand a property over to us, when they could be doing it themselves?

A There are many reasons why a landlord would prefer someone else to take care of their precious asset. The main ones are: lack of time, lack of knowledge, no management skills, no people skills, retirement, living out of the area and wanting the money in their bank each month without doing the work.

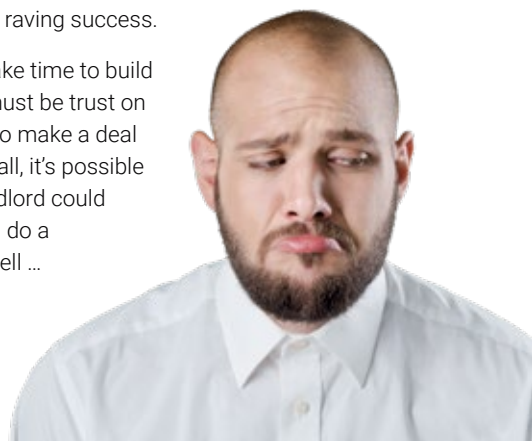
You might then wonder why they don't want to use a standard high street letting agent, and the answer is that very few high street agents truly understand how to manage a multi-let property. We on the other hand are very skilled at managing a multi-let property so that they run as smooth as silk. It takes time to build trust, but when the landlord sees they are getting paid like clockwork and their property is looking great, they never want the partnership to end.

Q The landlords and agents I've been approaching about guaranteed rent have been very negative, and referring to all the bad press about operators doing a runner. How can I counteract this and convince them that I'm serious about going into this as a business?

A There was a ridiculous article in the Guardian newspaper a few years ago, that accused us of '*Packing our tenants in*' and then '*Jacking up the rent*'. We had a good laugh about it, as we thought '*surely no-one will believe this nonsense*' ... but it turned out some people still **DO** believe what they read in the papers! There have been numerous other similar articles over the years, usually a rehash of that original article.

Our customers are full-time working young professionals who wouldn't put up with any of that for one second. Plus we want to build a sustainable and respected brand in the community, and that kind of behaviour would be extremely detrimental. Any time a potential landlord has mentioned these reports, we have a little snigger and say '*No-one REALLY believes any of that nonsense, do they?*' Then we reassure him that we're 100% professional, we'll be investing our time and possibly our money into **HIS** property, so it's in our interest to make sure it's an absolute raving success.

Trust can take time to build and there must be trust on both sides to make a deal work. After all, it's possible that the landlord could go bust and do a runner as well ...

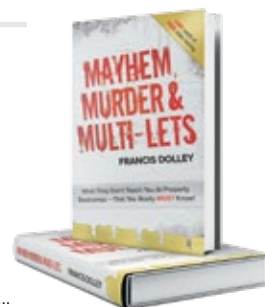


You can find out more about the rent-to-rent strategy from YPN Bitesize.



www.yourpropertynetwork.co.uk/club/bitesize-r2r

Francis and the team at Multi-Let Cashflow System have authored several books and manuals, including "**Mayhem, Murder and Multi-Lets**".



For more information about MLCS ...

Email: francis@multiletcashflowsystem.com
Phone: **07411 070772**

Do you have a property question that you want to put to the experts? Send it in by email with the title "**Quickfire question**" to jayne@yourpropertynetwork.co.uk and we'll forward it to the relevant specialist.

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Sarah Morris

Investor Relations Coordinator



Want to invest in property and learn from the experts?

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Dick Dabner our Director of Investor Relations and his experienced team offer continuous support and ongoing project updates. We also have a direct phone line for you calls.

The first step is to visit us at our offices in Tunbridge Wells. See for yourself how we are able to offer our investors such high returns through our proven strategy of always adding value to property.

Call us now on **01892 288 123** or email **dick@jvip.co.uk** to arrange a meeting.



Before readers say, *"I leave the finance aspects to my broker"* or switch off as this book is about BTL mortgages, Peter is actually an experienced landlord with over 40 properties. So although he isn't a mortgage broker, he is very knowledgeable about how best to research and utilise these products. He continues to work in a job he enjoys and continues to invest using the power of mortgages.

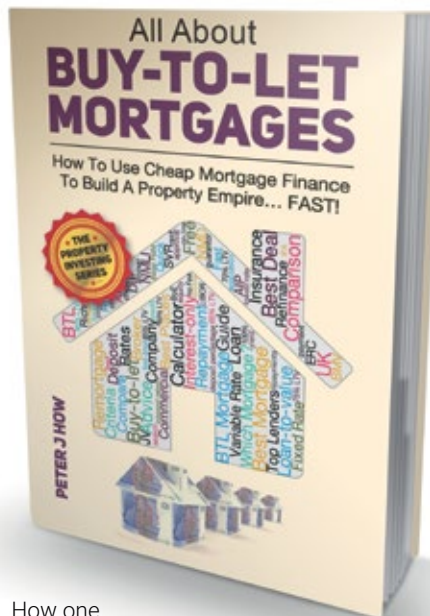
As Peter points out, the mortgage cost is usually the largest in any BTL transaction so you need to learn the finance language. It's a steep learning curve but a worthwhile one, as this information is often available in limited amounts from lenders and mortgage brokers. **Take control and lead from the front!**

The **opening chapter** is for beginners and covers how BTL works in the UK and starts to introduce certain terms that he wants the reader to become familiar with, eg ***"Unencumbered Property"***. He introduces the aspect of gearing via mortgages and has a very nice comparison of someone buying a property for £200K cash, versus splitting this over four properties via mortgages to highlight the benefit of gearing. Other aspects, which are discussed in more detail later, include **remortgaging**.

Chapter 2 covers a brief history and the main principles of BTL. As one would expect from a reference book, Peter continues to expand on the terms/jargon in the mortgage industry (eg AIP/DIP) and also covers the process of making a formal application, getting the loan and receiving the mortgage money. He also starts to bring in aspects of property investment that will play an important part in investors getting mortgages, eg rental yields. The next chapter covers the pros and cons of going via a mortgage broker, or direct-to-lender. Although the majority of BTL investors go via brokers, Peter encourages readers to do some online research themselves via lender's websites.

Chapter 4 tackles the very first thing an investor will be exposed to, ie ***“Can you actually get a BTL mortgage?”*** All lenders have **Mortgage Lending Criteria**, which you’ll need to satisfy – if the criteria are more relaxed, the fees and interest payments are often higher.

Generally, the lending criteria take into account your personal circumstances and aspects of the property. The former could be home ownership, credit score, your personal income and expenditure. The latter will include things such as the condition of the property you are buying, its location and tenancy type. An important recent change is the lender's ***"Stress Test"*** criteria to determine the loan amounts they will lend, so readers should familiarise themselves.



How one repays the mortgage loan is a personal choice but there are two options: interest-only or repayment. Peter discusses the merits of both: the former keeps your monthly payments lower, whilst the latter will ensure that your properties will be paid off. As this will not happen with an interest-only loan, you will need to have a plan to pay off the capital for these types of mortgages.

There are a myriad of BTL mortgages and this is covered in **Chapter 6**. You need to be able to assess mortgage deals, so need to have a grasp of how Bank of England base rates and LIBOR rates influence the costs of a mortgage. There are a plethora of mortgage types you need to be familiar with: fixed rates, variable rates and tracker rates. Loan-to-value (LTV) is also discussed in detail, as it's a very important concept; rent cover is also discussed as it can influence the LTV. Other costs you need to account for are ***“up-front”*** fees, eg valuation fee, legal fees, mortgage arrangement fee and

probably an application fee.

Chapter 7 covers the important aspect of the property valuation and Peter describes the valuation process, which leads to the valuation report. If essential works are required, the lender may ***“retain”*** some of the loan until works are done. If the property is down-valued, it's often difficult to overturn the valuation so you just need to learn and move on. If all is well, you will get a mortgage offer and will need a deposit to buy the property. The whole concept of deposits, including what the lender will accept as the source of the deposit, is covered in **Chapter 8**. If a property is unsuitable for mortgage purposes, you will need to tap into other forms of finance, eg personal loans, bridging, crowdfunding or perhaps a JV.

The ability to remortgage is important to develop a portfolio relatively quickly. The basic principles of remortgaging are covered in Chapter 10 and Peter advises that you regularly review your portfolio and remortgage if it makes financial sense.

WHO IS THIS BOOK FOR?

I would say that this is an excellent reference book primarily targeted to beginners although I also learned a few things. The unusual angle of this book is that all aspects of mortgages are covered in depth, but written by a seasoned investor so there are examples of his own experiences. Each chapter is nicely finished with a ***Chapter Summary*** of the key points. Peter is encouraging the reader to learn about this important aspect of finance, even if it's to have a more meaningful conversation with their broker. The world of mortgages is covered by a myriad of jargon and products, and Peter describes each in depth with examples.

There are extensive resources and further advice available via the companion website:

<https://buy-to-let-mortgages.org.uk>

Raj Beri

www.raiberi.co.uk

Email: rai@raiberi.co.uk

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BOOK DETAILS

Date published: 2017

ISBN-10: 0995792801

FINDING GOOD PUBLIC COMPANIES TO INVEST IN USING FUNDAMENTAL ANALYSIS PART 2

By [Marcus de Maria](#)

In recent months we have been discussing **WHEN** to enter a trade. In the last article we discussed the role of Fundamental Analysis when looking at stocks, ie how to find **WHICH** company to invest in. This month we continue by looking at an online stock screener that allows us to filter or screen 7,000+ stocks to find the ones we might be interested in.



Remember: we are not looking to play the same game as everyone else – to find a company that will go up 1,000% and make us millionaires overnight. While that sounds good, it isn't easy to do. Instead we are going to find good companies and then use the strategies we have been discussing to enter the trade (if you don't have the strategies you can download them at www.investment-mastery.com/ypnmagbook).

The criteria we explained in the previous article were:

1. PEG Ratio of below 1
2. Earnings growth projection of 20% plus
3. Debt of below 30%
4. Institutional ownership of over 30%
5. Price over \$10

7,000+ stocks are too much for us to look at (although I did have a trader friend who used to spend five hours every week staring at a screen doing just that). Nowadays stock screeners such as www.Finviz.com automatically filter down to meet our criteria, leaving us with a much more manageable number to look at every month – say 25. So we are, in essence, filtering using our criteria to get a smaller number every time.

Below is what we did in 2017, let's look back in time to see if it worked!

While putting in a price above \$10 hardly changes anything at all, putting in EPS growth of over 35% in the next five years means we have only 836 left. That's still too many charts for us to look at. Put in the debt lower than 30% and it comes down to 370. Still too large. Adding institutional ownership narrows it down to 321 but this is still too long to manage. Time to get out the big guns. The PEG under 1 gets us down to 52! Looks like only 52 stocks out of a universe of 7,000+ are undervalued at the moment. Not surprising, considering we have been in a bull market since 2009.

Remember we are looking to get the list down to a more manageable number so the smaller the number the better – increasing EPS growth to over 20% gets us down to 29. Much more manageable.

This is what the final screen looked like:

Header 5	Descriptive(1)	Fundamental(4)	Technical	ABC(3)
Exchange	Any	Index	Any	Sector
Market Cap.	Any	P/E	Any	Industry
P/B	Any	Price/Cash	Any	Forward P/E
EPS growth next 5 years	Any	EPS growth next 5 years	Over 20%	Sales growth next 5 years
Dividend Yield	Any	Return on Assets	Any	Return on Equity
Quick Ratio	Any	LT Debt/Equity	Any	Debt/Equity
Net Profit Margin	Any	Payout Ratio	Any	Insider Ownership
Institutional ownership	Any	Float Short	Any	Analyst Recomm.
Performance	Any	Performance 2	Any	Volatility
50-Day Simple Moving Average	Any	50-Day Simple Moving Average	Any	200-Day Simple Moving Average
20-Day High/Low	Any	50-Day High/Low	Any	52-Week High/Low
Beta	Any	Average True Range	Any	Average Volume
Price	Over \$10			Relative Volume

If you want to get that number down even more, you just need to add more criteria. As you can see there's plenty to choose from. For example, you might want to find companies giving you an annual dividend for cash flow. Or change some of the values in the criteria we have already chosen. The stricter the values are, the less stocks will appear; the more lax the values, the more stocks will appear.

Let's look at some of the stocks. I like to start with the ones that have the lowest PEG Ratio, ie the ones that are undervalued the most. **Please note that this does not mean it is the right time to buy the stock, in fact it rarely is** – it just means it is undervalued. It might continue to stay undervalued for a while – no-one knows how long – and I don't want to get into a long term buy-and-hold position when all I am looking for is a short-term trade to gain anywhere between 5%-10% within a few weeks and, if necessary, months.

By clicking the 'Valuations' tab, I get a list of various criteria. I want to start with the lowest PEG Ratios. By pressing on the label at the top of the column I can sort it that way, with the lowest PEG ratio starting at the top.



By placing the cursor on the stock symbol on the left, you can quickly look at each stock chart to see if there are any chart patterns you like. I like the first one with the lowest PEG (see picture above) because it is heading up but with up and down swings. This gives us a good entry point. Back then it was at \$33 but went up to a high of \$48, 45% return.

If we want to know the highest Earnings per Share growth (EPS) in the next five years, you can you can do that too.

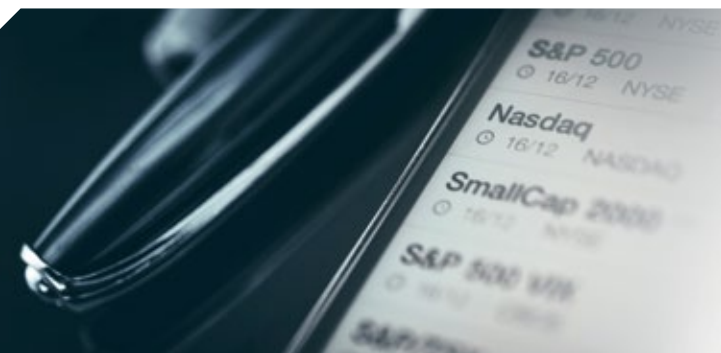


SAVE (see stock chart above) has also now caught my eye due to its nice up and down swings, and it is ready for lift-off. It went from \$47 to a high of \$85, giving us a potential 80% return.

Go ahead and have some fun – try this out at home at www.finviz.com.

Until next month

Marcus



Compared to the other ways of making money, stocks and shares trading takes just a few months to master. In times like these it is a **MUST** for you to learn more about what trading and investing in stocks, commodities and precious metals has to offer. We are holding a series of one day events where we go through the strategies so you can take control of your own finances. But first, why not go ahead and download your **FREE STRATEGY REPORT: WWW.INVESTMENT-MASTERY.COM/YPNMAGBOOK**

HOW TO BUY A WHOLE PROPERTY PORTFOLIO IN ONE GO

By **Simon Zutshi**

If you want to speed up the process of building your property portfolio or like the idea of doing one deal to replace your income, consider buying an existing portfolio from a tired or retiring landlord. In this article, I am going to explore the pros and cons of this strategy and show a real-life case study to provide you with inspiration of what you could achieve.

REASONS WHY

First, let's consider some of the reasons why you should buy portfolios:

Replace your income with one deal

Most investors I meet want to replace the income from their job with passive income from property. If you find the right portfolio, it's possible the cash flow it generates could be enough to replace your current income.

Save a huge amount of time

Instead of having to find lots of individual properties and deal with lots of different owners, you could save a huge amount of time by dealing with one person to do one big purchase. Having said this, it does take some time to find these portfolios, and you need to spend sufficient time analysing the portfolio to make sure you are buying a good one.

Opportunity to add value

Very often when buying a portfolio, there is scope to add value through renovation and modernisation. This means you can raise the value of the properties and perhaps refinance the portfolio to get some of the deposit money out. In some cases, you can buy the portfolio, and have none of your money left in.

Opportunity to raise rents

Landlords will frequently not have raised the rents to keep up with current market rates. Consequently, you might be able to raise the rents to increase the cash flow, especially if you have modernised and decorated the properties.

THE DOWNSIDES

As you can see, there are many benefits to buying portfolios, but it is really that easy? Well, no, it's not, and here are some downsides:

It's a numbers game

To find a good portfolio you want to buy from a willing landlord, you will have to look at several. Many won't work for you or you just can't agree a win/win deal with the owner. It takes persistence. You will have to overcome issues, otherwise everyone would be doing it.

You need to know what you are doing

If you are new to property, it may not be such a great idea to try and buy a portfolio as your first deal. You need to know what you are doing and do your due diligence on each property to make sure you know what you are buying. Having said that, this is no different to what you would do for one property – you just need to repeat the process for each property in the portfolio.

Over-optimistic landlords

Very often you will find that landlords have an inflated view of what their property is worth. This is usually for one of three reasons:

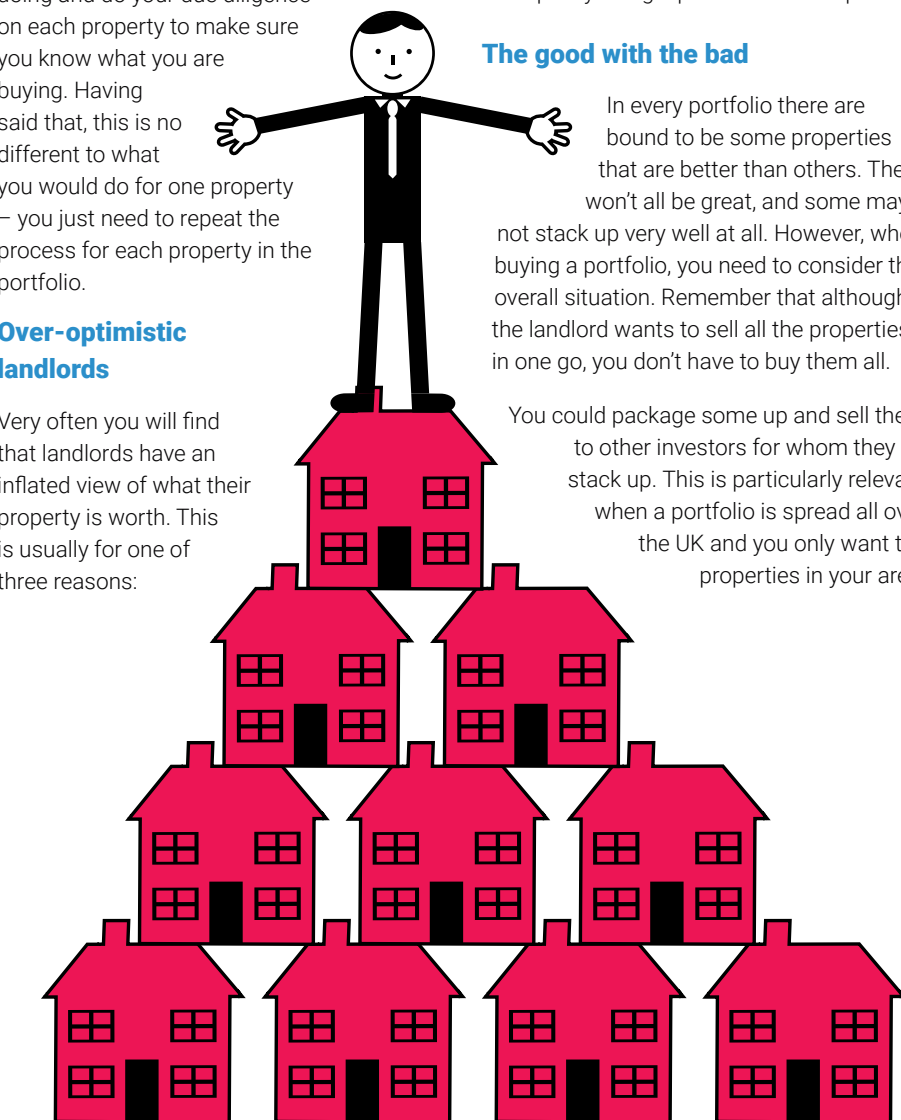
1) The property is in negative equity and to sell, they need to clear the debt, **2)** the landlord has spoken to an estate agent who has helped inflate the value of the property in the landlord's mind in order to secure the right to sell the portfolio, or **3)** the landlord has decided how much money they want from the sale, and so is working backwards to work out the amount they need to sell for.

If the property is overpriced, the reality is that it just won't sell. Given some time, the landlord may come to realise this; as the motivation to sell becomes greater, they usually adjust their price down. As long as it is not in negative equity, in which case the landlord may not be able to lower the price. In this situation you could maybe offer to pay the higher price if the landlord is flexible about when they complete on the deal, for example by using a purchase lease option.

The good with the bad

In every portfolio there are bound to be some properties that are better than others. They won't all be great, and some may not stack up very well at all. However, when buying a portfolio, you need to consider the overall situation. Remember that although the landlord wants to sell all the properties in one go, you don't have to buy them all.

You could package some up and sell them to other investors for whom they do stack up. This is particularly relevant when a portfolio is spread all over the UK and you only want the properties in your area.



NOW IS THE TIME

There are always landlords who want to retire. These are people whose full-time job is managing their portfolio. They do everything from finding tenants, doing the contracts, moving them in, collecting rent, chasing debts, kicking out bad tenants, organising maintenance – everything. Many plan to sell their portfolio one day, and sit on a beach with a big pile of money.

However, right now and over the next two years, more and more landlords are considering retiring early as a direct result of the Section 24 tax changes. They don't like the idea of doing the same work as before but being paid less and less over the next few years as the full effect of Section 24 comes into force. More and more of these landlords are coming to our network meetings with a view to sell. I personally want to buy a number of portfolios over the next two years. (If you have one to sell, or know someone who does, please get in touch with me!) This is an opportunity which I think will be available for the next 12-24 months, so it is important to take action now.

HOW TO FIND PORTFOLIOS

There are several ways of finding portfolios for sale including: attending property networking events, telling people on social media that you are looking to buy, writing to registered HMO landlords, registering with local commercial property agents and normal estate agents, and direct marketing to landlords who are advertising their properties for rent. All these methods work to attract motivated landlords to you.

FINANCING PORTFOLIO PURCHASES

You need to keep up-to-date with changes in the mortgage market. The best way to do this is to attend property networking meetings where there should be a broker who provides an update on the market. As long as they have access to the full market, they should be best placed to advise you. Some new products have just come out to help you purchase portfolios and some of my students are doing very well from this.

USING PURCHASE LEASE OPTIONS (PLOS)

This is a massively misunderstood strategy which you can use to control property to gain cash flow and equity growth, without the need for a mortgage or even a large deposit. I have heard supposed experts say that it only works with negative equity, and whilst it can be a great

PORTFOLIO CASE STUDY

One of my Property Mastermind delegates, **Ashley Canning**, and his business partner Neil Culshaw, both from Manchester, have just secured a deal to take control of a portfolio of 18 units over 14 properties from a landlord who wanted to retire. The landlord responded to a letter that Ashley sent him as part of his HMO landlord letter campaign, and explained that he needed help in finding a creative solution.

When structuring a creative deal, it is important to understand what is important to the property owner. In this case, the landlord wanted to retire but could not really sell his portfolio. Although there was some equity overall, there was not enough to cover the capital gains tax he would have to pay. The portfolio was cash flow positive but needed some attention to bring it back to a good state. They agreed a deal for Ashley and Neil to purchase the properties over an option period of seven years, using the income generated from the portfolio to fund the purchases.

Ashley and Neil understood options and how to use them (after studying my PLO Bootcamp Home Study Programme) and were able to structure a deal where they took on the £1.1m portfolio with a gross income of £93k pa. Most of the properties were tenanted but a few were empty and in need of some refurb as the landlord was unable to finance the cost of doing them up. He also had not raised the rents for seven years. As usual when buying portfolios, there was scope to increase the value and raise the rents. To take the control of the portfolio Ashley had to pay a £1 option fee, carry out the refurb and now has a positive net cash flow of £54k.



solution to this problem PLOs work just as well where there is no mortgage at all.

The idea is that you have the right to buy a property in a number of years and in the meantime you take away the hassle from the owner so they can go and sit on a beach if they want to. The price is fixed at the start of the option period. By phasing the sales over a number of years, the owner can maximise the use of their personal capital gains allowance each year. There are many other benefits to PLOs and you need to understand these if you want to use them to make money from property.

I hope you have enjoyed reading this article and that it has stimulated your thinking about how you could purchase a portfolio.

Invest with Knowledge, Invest with Skill

Best wishes

Simon Zutshi



- Founder, property investors network
- Author of "Property Magic", now into its 6th edition
- Founder of the Property Mastermind Programme

WHAT IS YOUR NEXT STEP?

If you want to learn more about using Purchase Lease Options to control property, so that you can gain positive cash flow and equity growth without the need for big deposits or even a mortgage, then register for a no-cost, online Master Class with Simon Zutshi this month: <http://bit.ly/YPNPLO>

NETWORKING EVENTS In *YOUR* Area

ZONE 1

Blackfriars pin

4th Tuesday of the month

Crowne Plaza, 19 New Bridge Street, Blackfriars, London, EC4V 6DB

Host: Fraser MacDonald

www.blackfriarspin.co.uk

Canary Wharf pin

1st Thursday of the month

De Vere Conference Suite No. 1 Westferry Circus, London, E14 4HD

Host: Samuel Ikhinmwin

www.canarywharfpin.co.uk

Croydon pin

3rd Wednesday of the month

Jurys Inn Croydon Hotel, Wellesley Road, Croydon, CR0 9XY **Host:** Stuart Ross

www.croydonpin.co.uk

PPN London St. Pancras

02/05/2018

The Wesley Euston Hotel & Conference Venue, 81-103 Euston St, London NW1 2EZ

Hosts: Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN London Waterloo

14/05/2018

Park Plaza County Hall, 1 Addington Street, London, SE1 7RY

Host: Sachin Mishra

progressivepropertynetwork.co.uk/london-waterloo

PPN London Knightsbridge

07/05/2018

Royal Air Force Club, 128 Piccadilly, Mayfair, London W1J 7PY

Host: Pippa Mitchell

progressivepropertynetwork.co.uk/knightsbridge

PPN Canary Wharf

09/05/2018

One Canada Square, Canary Wharf, London, E14 5AB

Hosts: Ozan and Oktay Redjep

progressivepropertynetwork.co.uk/canary-wharf

PPN Mayfair

31/05/2018

The Washington Mayfair, 5 Curzon St, Mayfair, London W1J 5HE

Host: David Seigler

progressivepropertynetwork.co.uk/mayfair

Kensington pin

2nd Wednesday of the month

The Rembrandt, 11 Thurloe Place, South Kensington, London, SW7 2RS

Host: Marion Watts

www.kensingtonpin.co.uk

Regent's Park pin

3rd Tuesday of the month

Holiday Inn London Regents Park, Carburton Street, London, W1W 5EE

Host: Mike Frisby

www.regentsparkpin.co.uk

Sutton pin

2nd Thursday of the month

Holiday Inn London Sutton, Gibson Road, Sutton, Surrey, SM1 2RF

Hosts: Johanna and Peter Lawrence

www.suttonpin.co.uk

Clapham pin

1st Tuesday of the month

The Cinnamon, 55-57 The Pavement Clapham, London, SW4 0JQ

Hosts: Jahangir Khan and Luke Skelton

www.claphampin.co.uk

Premier Property Club - Islington

2nd Wednesday of the Month

Hilton Hotel Islington, 53 Upper St, London N1 0UY **Founder:** Kam Dovedi

PremierPropertyClub.co.uk/ppc-islington

Premier Property Club - Knightsbridge

3rd Wednesday of the Month

Park Tower, 101 Knightsbridge, London, SW1X 7RN **Host:** Kam Dovedi

www.PremierPropertyClub.co.uk

Premier Property Club - Canary Wharf

4th Tuesday of the Month

Hilton Hotel, Marsh Wall, London, E14 9SH **Host:** Kam Dovedi

www.PremierPropertyClub.co.uk

Premier Property Club - Croydon

1st Tuesday of Each Month

Doors open: 6.30pm for a 7pm Start
Jurys Inn Croydon, Wellesley Road, London CR0 9XY

Wandsworth-Property-Group

Love Property in N1 Meetup Group

1st Thursday of the Month

The Islington Company 97 Essex Road, N1 2SJ **Host:** Vaida Filmanaviciute

www.meetup.com/Love-Property-in-N1-Meetup-Group

We Buy Houses - London

Last Wednesday of the month

New hosts: Adam Hinds and Angela Lewis-Wright. Register at <http://webuyhouses.co.uk/rick-otton-meetups>

Property Leverage Network - London

1st Monday of the month

Pavillion End, 23 Watling Street, London, EC4M 9BR **Host:** Karun Chaudhary (07542210168)

London HMO Property Group

Host: Alan Wood

For information on the next event visit www.hmopropertygroup.co.uk

EPN - London (Earth Property Network) 2nd Tuesday of the Month

1 Fore Street, London, EC2Y 5EJ

Host: David J. Tillyer

<http://bit.ly/EPN-London>

PMA Heathrow

1st Monday of every month

Hotel Mercure Heathrow, Shepiston Lane, Hayes

Host: Justyna Wojech

www.pmanetwork.co.uk/events

PMA Croydon

1st Wednesday of every month

Croydon Park Hotel, 7 Altyre Road, Croydon **Host:** Jason Hayles

www.pmanetwork.co.uk/events

Kensington & Chelsea Property Network 1st Thursday of the Month

The Trafalgar in Chelsea, 200 Kings Road, London, SW3 5XP

Host: Nicola Ancona

www.meetup.com/KensingtonChelseaPropertyNetwork

Central London Evening Meet

4th Wednesday of the month

14-15 Marshall Street, Soho, London W1F 7EL **Hosts:** Brendan Quinn and Luke Hamill

www.meetup.com/CentralLondonPropertyNetwork

Central London Morning Meet

See website for details

Grosvenor Casino, 3-4 Coventry Street, Piccadilly Circus London W1D 6BL

Host: Brendan Quinn

www.meetup.com/CentralLondonPropertyNetwork

Property Coffee Morning

Free Networking For 150 Property Investors.

9:30 to 11:30am, Grand Ballroom, Landmark Hotel, London NW1.

See website for more details

www.PropertyCoffeeMorning.com

JV Hub Property Meet

4th Wednesday of every Month

Wework Building, 1 Fore Street London EC2Y 5EJ, 6.30 - 9.30

Host: Theo Bailey www.jvhub.co.uk

Baker Street Property Meet

Last Wednesday of every Month

Holiday Inn London, Regents Park, Carburton Street, London, W1W 5EE

Host: Ranjan Bhattacharya

www.BakerStreetPropertyMeet.com

Sutton Property Meetup

2nd Monday of the Month

The Ivory Lounge, 33-35 High Street, Sutton, Surrey, SM1 1DJ

Hosts: Johanna and Peter Lawrence

www.meetup.com/Sutton-Property-Meetup

London Property Talk (BMV Meet)

1st Monday of the month

Hilton London Docklands, 265 Rotherhithe Street, London, SE16 5HW

Host: Owais Naveed

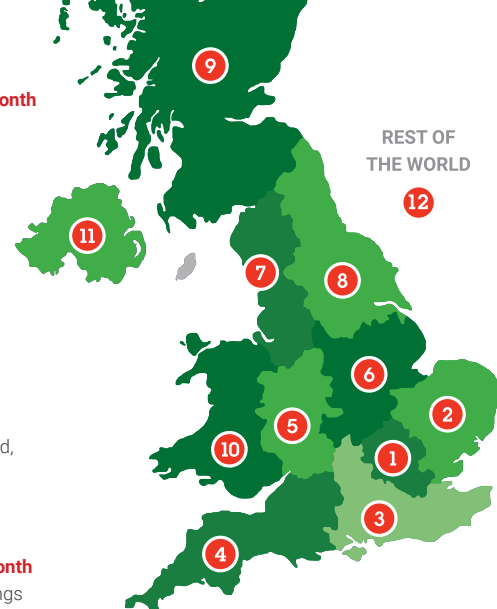
<http://ukpropertymeet.co.uk>

London Property Investor Breakfast

4th Tuesday of the month (7.30am - 9.30am)

Doubletree by Hilton, 92 Southampton Row, Holborn, London, WC1B 4BH **Host:** Fraser Macdonald

www.meetup.com/londonproperty-breakfast



UK Property Investors Networking Event

Last Monday of the Month

Grovesnor Hotel, 101 Buckingham Palace Road, Victoria, London

Host: Cornay Rudolph

www.meetup.com/UK-Property-Investors-Networking-Event

Premier Property Meet

2nd Thursday of every month from

6.30pm The King's Head Pub, 1 The Green, Winchmore Hill, London, N21 1BB **Hosts:** Deborah Tyfield and Dr Martand Patel

Tickets: £20 online, £25 on the door. Tickets includes canapés

www.premierpropertymeet.co.uk

Property Leverage Network City of London 4th Monday of every month

Dawson House, 5 Jewry Street, London, EC3N 2EX **Hosts:** Felix Cartwright & Phil Ash (07856202658)

www.propertyleverage.co.uk

Property Leverage - Southbank London 3rd Monday of the month

Mulberry Bush, 89 Upper Ground, Southbank, London, SE1 9PP

Hosts: Felix Cartwright & Phil Ash (07856202658)

www.propertyleverage.co.uk

Wandsworth Property Group

3rd Tuesday of the Month

The Alma, 499 Old York Road, Wandsworth, London, SW18 1TF

Host: Brendan Quinn www.meetup.com/Wandsworth-Property-Group

LoveTheMojo

1st Wednesday of the month

Wework Aldwych House, London

<https://www.meetup.com/LOVE-THE-MOJO/events/243553700/>

Bloomsbury Wealth Investing Network

3rd Wednesday of the month

The Wesley Hotel 81-103 Euston St, Kings Cross, London NW1 2EZ

Hosts: Matt Baker & Jo Akhgar

www.bloomsburywin.net

The London Real Estate Buying & Investing Meetup Group

2nd Tuesday of the Month

Business Environment Services Offices, 154 - 160 Fleet Street, EC4A 2NB

Host: John Corey

www.meetup.com/real-estate-advice

The Kensington & Chelsea Property Group
2nd Wednesday of the month
Baglioni Hotel, 60 Hyde Park Gate, London,
SW7 5BB **Host:** Neil Mangan
[https://www.meetup.com/
The-Kensington-Chelsea-Property-Group/](https://www.meetup.com/The-Kensington-Chelsea-Property-Group/)

Global Investor Club London
2nd Thursday of every month
City Business Library, Guildhall, London
EC2V 7HH **Host:** Jan Kortyczko
[fb.com/GICLondon](https://www.meetup.com/GICLondon/) **Please note** that most
speakers are presenting in Polish

Holborn Property Meet
3rd Monday of the month
De Vere Grand Connaught Rooms -
Registration: 6.30pm, Talks: 7.30pm
Host: Giovanni Patania
<https://www.holbornpropertymeetuk.com>

ZONE 2

Cambridge pin **4th Thursday of the month**
Holiday Inn Cambridge Lakeview, Bridge
Road, Impington, Cambridge, CB24 9PH
Host: Christine Hertoghe
www.cambridgepin.co.uk

Essex pin **3rd Tuesday of the month**
Orsett Hall Hotel, Price Charles Avenue,
Orsett, Essex, RM16 3HS
Host: Reagan Parmenter
www.essexpin.co.uk

Norwich pin **2nd Tuesday of the month**
Holiday Inn, Ipswich Road, Norwich, Norfolk,
NR4 6EP **Host:** Lisa Hudson
www.norwichpin.co.uk

PPN Ipswich
14/05/2018
Holiday Inn Ipswich, London Road, Ipswich
IP2 0UA **Host:** Halstead Ottley
[progressivepropertynetwork.co.uk/
ipswich](http://progressivepropertynetwork.co.uk/ipswich)

PPN Peterborough
21/05/2018
Holiday Inn Thorpe Wood, Peterborough
Hosts: The PPN Team
[progressivepropertynetwork.co.uk/
peterborough](http://progressivepropertynetwork.co.uk/peterborough)

Essex Property Network
2nd Tuesday of the Month
Holiday Inn, Brentwood, CM14 5NF
Host: Cyril Thomas
www.essexpropertynetwork.co.uk

**Harlow Property Network in association
with Premier Property Club** **2nd Thursday
of Every Month** The Day Barn, Harlow
Study Centre, Netteswellbury Farm (off
Waterhouse Moor), Harlow, Essex,
CM18 6BW. myproperty.coach

THE PROPERTY HUB
1st Thursday of the Month
<http://thepropertyhub.net/meetups>

Colchester Trotters Bar, CO1 1QX
Hosts: Phil Sadler and Vito Anzalone

South Essex The Paul Pry, Rayleigh,
SS6 7AA **Host:** Joanne Dron

Cambridge/Peterborough
The Cuckoo, PE7 3UP.
Host: Chris Barnard

Croydon Property Meet
1st Wednesday of the month
Croydon Park Hotel, Altyre
Road, Croydon. CR9 5AA
Hosts: Rob Norton and Sel
Fayyad

ZONE 3

Eastbourne pin
1st Wednesday of the month
Royal Eastbourne Golf Club, Paradise
Drive, Eastbourne, East Sussex,
BN20 8BP **Host:** Lee Beecham
www.eastbournepin.co.uk

Woking pin
3rd Thursday of the month
The Talbot, High Street, Ripley,
Surrey, GU23 6BB **Host:** Lisa Oliver
www.wokingpin.co.uk

Oxford pin **1st Thursday of the
month** Jurys Inn, Godstow Rd, Oxford,
OX2 8AL **Host:** Gillie Barlow &
Jacquie Edwards
www.oxfordpin.co.uk

PPN Brooklands
22/05/2018
Mercedes - Benz World, Brooklands
Dr, Weybridge, KT130SL
Host: Mark Stokes
[progressivepropertynetwork.co.uk/
brooklands](http://progressivepropertynetwork.co.uk/brooklands)

PPN Portsmouth
21/05/2018
The Langstone Hotel, Northney Road,
Hayling Island, Portsmouth, PO11
0NQ **Host:** Angie Lacoste
[progressivepropertynetwork.co.uk/
portsmouth](http://progressivepropertynetwork.co.uk/portsmouth)

**J6 Property Professionals
& Investors Meet**
2nd Tuesday of the month
Aston Bond solicitors, Windsor Crown
House, 7 Windsor Road, Slough,
SL1 2DX **Host:** Manni Chopra
www.j6propertymeet.co.uk

PMA Bracknell
4th Tuesday of the month
Hilton Hotel, Bagshot Road, Bracknell
Host: Phil Hope
www.pmanetwork.co.uk/events

PMA Farnborough
3rd Tuesday of the month
The Village Hotel, Farnborough
Host: Matt Hook
www.pmanetwork.co.uk/events

The Property Vault
3rd Monday of the month
Eastgate, 141 Springhead Parkway,
Northfleet, DA11 8AD
Host: Dan Hulbert
www.thepropertyvaultuk.com

Surrey Property Exchange
2nd Monday of the Month
Holiday Inn, Egerton Road, Guildford,
GU2 7XZ **Host:** Richard Simmons
www.surreypropertyexchange.co.uk

THE PROPERTY HUB

1st Thursday of the Month <http://thepropertyhub.net/meetups>

London Waterloo All Bar One, SE1 7PY
Host: Matt Newman
London King's Cross The Somers Town
Coffee House, NW1 1HS **Host:** Gavin Lloyd

Richmond Upon Thames The Cricketers,
TW9 1LX **Host:** Roxane Brazeau
Epsom The Albion, KT19 8BT
Hosts: Justin Richards and Andy Garnett

Reading pin
1st Tuesday of the month
Holiday Inn Reading South M4, Jct.
11, 500 Basingstoke Road, Reading,
RG2 0SL **Host:** TBC
www.readingpin.co.uk

Berkshire pin
3rd Monday of the month
Holiday Inn Maidenhead, Manor Lane,
Maidenhead, SL6 2RA
Hosts: Mike Holt
www.berkshirepin.co.uk

Southampton pin
1st Tuesday of the month
Chilworth Manor Hotel, Southampton,
Hampshire, SO16 7PT **Hosts:** Wayne
Freebody and Nigel Bugden
www.southamptonpin.co.uk

Premier Property Club - Kent
2nd Tuesday of each month
Castle View, Forstal Rd, Maidstone
ME14 3AQ
www.PremierPropertyClub.co.uk

PDPLA
2nd Monday of the month
The Inn Lodge, Burrfields Road,
Portsmouth PO3 5HH. 7:30
Host: Joan Goldenberg
www.pdpla.com

PMA Kent
2nd Wednesday of every month
Bridgwood Manor Hotel, Walderslade
Woods, Chatham **Hosts:** Estelle
Barnes and Dimpy Pathak
www.pmanetwork.co.uk/events

Kent Property Meet
4th Wednesday of the month
Brands Hatch Place Spa, Brands
Hatch Road, Fawkham, Kent
DA3 8NQ **Hosts:** Chrissy Kusytsch &
Jazz Dokhu

Hampshire Property Network (HPN)
2nd Wednesday of the Month
The Navigators Inn, Lower Swanwick.
Hampshire. SO31 7EB, 7:15
Hosts: Mark Smith &
Allan Wadsworth
www.hampshirepropertynetwork.co.uk

We Buy Houses - Southampton
3rd Wednesday of the month
Host: Stephen Davies and Giselle
Robinson. Register at [http://webuy
houses.co.uk/rick-otton-meetups](http://webuyhouses.co.uk/rick-otton-meetups)

Thanet Property Network
**Second Wednesday of the the month
- 7pm - 9pm** St Georges School,
Broadstairs **Hosts:** Ryan Fitzpatrick &
Jason Hulott
[https://www.facebook.com/
thanetpropertynetwork/](https://www.facebook.com/thanetpropertynetwork/)

Brighton pin
3rd Thursday of the month
The Courtlands Hotel, 19-27 The
Drive, Hove, East Sussex, BN3 3JE
Host: Peter Fannon
www.brightonpin.co.uk

Basingstoke pin
4th Wednesday of the month
The Hampshire Court Hotel, Centre
Drive, Great Binfield Road, Chineham,
Basingstoke, RG24 8FY
Hosts: Seb and Aga Krupowicz
www.basingstokepin.co.uk

Kent pin
1st Thursday of the month
Village Hotel Club, Maidstone,
Castle View, Forstal Road, Sandling
ME14 3AQ **Hosts:** Martin and Sarah
Rapley www.kentpin.co.uk

Premier Property Club - Brighton
1st Thursday of the Month
Jurys Inn Brighton, Waterfront King's
Road, Brighton, BN1 2GS
www.premierpropertyclub.co.uk/brighton

Crawley Property Meet
3rd Tuesday of every month
crawleypropertymeet.com
Europa Hotel, Balcombe Road,
Crawley, RH10 7ZR **Hosts:** Tania
Carson, Pam Mackenzie, Nick
Parkhouse and Phil Williams.

The Bucks Property Meet
Last Thursday of the Month
The Bull, Gerrards Cross,
Hosts: John Cox and Rachael
Troughton
www.Buckspropertymeet.com

Southampton Property Hub Meet Up
1st Thursday of every month
The Maritimo Lounge 1 Moresby
Tower Admirals Quay, Ocean Way,
Southampton SO14 3LG
Host: Sarah Smith
[https://www.facebook.com/property
hubsouthampton/?fref=ts](https://www.facebook.com/propertyhubsouthampton/?fref=ts)

THE PROPERTY HUB
1st Thursday of the Month
<http://thepropertyhub.net/meetups>

Farnham The Wheatsheaf, GU9 7DR
Hosts: Andre and Elise Brink
Reading Grosvenor Casino,
RG2 0SN **Host:** Adam Vickers
Brighton & Hove The Poet's Corner
BN3 5BF **Host:** Phil Leppard

ZONE 4

Bournemouth pin

2nd Tuesday of the month

Sandbanks Hotel, 15 Banks Road, Poole, BH13 7PS

Hosts: Lex McKee and Mark Waterhouse
www.bournemouthpin.co.uk

Cheltenham pin

3rd Tuesday of the month

The Best Western Cheltenham Regency Hotel, Old Gloucester Road, Near Staverton, Gloucestershire, GL51 0ST **Host:** Lee Pemberton
www.cheltenhampin.co.uk

Exeter pin

4th Thursday of the month

Buckerell Lodge Hotel, Topsham Road, Exeter, EX2 4SQ **Host:** Philip Bailey
www.exeterpin.co.uk

Bristol pin

2nd Wednesday of the Month

Holiday Inn Bristol Filton, Filton Road, Bristol, Avon, BS16 1QX
Host: Nick Josling www.bristolpin.co.uk

Plymouth pin

2nd Tuesday of the month

Elfordleigh Hotel, Colebrook, Plympton, Plymouth, Devon PL7 5EB
Host: Kevin & Sally Cope
www.plymouthpin.co.uk

Salisbury pin

3rd Wednesday of the month

The Rose and Crown Hotel, Harnham, Road, Salisbury, Wiltshire, SP2 8JQ
Hosts: James and Malcolm White
www.salisburypin.co.uk

PPN Bournemouth

15/05/2018

The Ocean Beach Hotel & Spa (Formerly known as Cliffside Hotel) East Overcliffe Drive Bournemouth BH1 3AQ. **Host:** Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Swindon

08/05/2018

Holiday Inn Swindon, Marlborough Road, Swindon, SN3 6AQ **Hosts:** Nick Chawala, Allan Harding and Aritri Mukherjee
progressivepropertynetwork.co.uk/swindon

PPN Southampton

22/05/2018

The Ageas Bowl, Botley Road, West End, Southampton, SO30 3XH
Hosts: Samantha Brown
progressivepropertynetwork.co.uk/southampton

PEN Exeter 3rd Tuesday of the Month

Gipsy Hill Hotel, Gipsy Hill Lane, Exeter, EX1 3RN **Host:** David Harwood
www.pen-exeter.com

PEN Wiltshire Last Tuesday of the Month

Stanton Manor Hotel, Stanton St. Quintin, Near Chippenham, Wiltshire, SN14 6DQ **Host:** Neil Stewart
www.penwiltshire.com

Professional Investment Group (PIG) - Plymouth 3rd Monday of the month

Boringdon Hall Hotel and Spa, Boringdon Hill, Colebrook, Plymouth, PL7 4DP
Host: Angelos Sanders
www.pig.network

Bristol BMV Property Options

Last Thursday of every month

The Holiday Inn, Bond Street, Bristol, BS1 3LE **Host:** Del Brown
www.bmvpropertyoptions.co.uk/property-investment-meeting-pim

Professional Investment Group (PIG) - Cornwall 1st Monday of the month

The Victoria Inn, Roche, PL26 8LQ
Hosts: Angelos Sanders & Matt Pooley
www.pig.network

The Bath Property Meet

1st Tuesday of the month

Bailbrook House Hotel, Eveleigh Avenue, London Road, Bath, Somerset BA1 7JD **Host:** Joe Harling
www.bathpropertymeet.co.uk

Professional Investment Group (PIG) - Exeter 2nd Tuesday of the month

Buckerell Lodge Hotel, Topsham Road EX2 4SQ Exeter **Hosts:** Angelos Sanders
www.pig.network

We Buy Houses - Southampton 3rd Wednesday of the month

Host: Stephen Davies and Giselle Robinson. Register at <http://webuyhouses.co.uk/rick-otton-meetups>

THE PROPERTY HUB

1st Thursday of the Month

<http://thepropertyhub.net/meetups>

Southampton The Social, SO15 2EH

Host: Sarah Smith

Bournemouth Ludo Lounge, BH6 3RS.

Host: Nic Scudamore

Swindon Blunsdon Hotel, SN26 7AS.

Host: Yann Guillery and Shirley Hensher

Exeter The Ley Arms, Kenn, EX6 7UN.

Host: Tony van Bergen

Cheltenham The Swan, GL50 1DX.

Host: Joanna Surowiec

Bristol Channings Hotel and Bar,

BS8 3BB. **Host:** Jon Hulatt

ZONE 5

Birmingham Central pin

1st Thursday of the month

Novotel Birmingham Centre Hotel, 70 Broad Street, Birmingham, B1 2HT
Host: Saj Hussain
www.birminghamcentralpin.co.uk

Birmingham pin

3rd Thursday of the month

Crowne Plaza NEC, Pendigo Way, National Exhibition Centre, Birmingham, B40 1PS
Host: Simon Zutshi
www.birminghampin.co.uk

Black Country pin

4th Wednesday of the month

Village Hotel Dudley, Castlegate Drive, Dudley, West Midlands, DY1 4TB
Host: Phillip Hunnable
www.blackcountrypin.co.uk

Coventry pin

2nd Tuesday of the month

Village Coventry, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ **Host:** Sebastien Buhour
www.coventrypin.co.uk

Worcester pin

1st Wednesday of the month

The Pear Tree Inn & Country Hotel, Smite, Worcester, WR3 8SY
Hosts: Andy & Karen Haynes
www.worcesterpin.co.uk

Stoke-on-Trent pin

2nd Thursday of the month

Holiday Inn Stoke on Trent M6, Jct. 15. Clayton Road, Staffordshire, Newcastle Under Lyme, ST5 4DL
Host: Steve and Emma Barker-Hall
www.stokepin.co.uk

PPN Birmingham

09/05/2018

The Chairmans Lounge, Edgbaston Cricket Ground, Edgbaston Stadium, Edgbaston Road, Birmingham, B5 7QU
Host: Kirsty Darkins
progressivepropertynetwork.co.uk/birmingham

PPN Wolverhampton

01/05/2018

Beefeater Wolverhampton Business Park, Greenfield Lane, Wolverhampton, WV10 6TA **Hosts:** Tim and Sue Gray
progressivepropertynetwork.co.uk/wolverhampton

Inspire Property Network

1st Tuesday of the Month

The Oak Hotel, 8640 Stratford Road, Hockley Heath, Warwickshire, B94 5NW **Hosts:** Mark Bruckshaw & Helen Partridge
inspirepropertynetwork.com

We Buy Houses - Birmingham

2nd Wednesday of the month

New host: Phil Wheeler
Register at <http://webuyhouses.co.uk/rick-otton-meetups>

Great Property Meet Warwickshire

Dunchurch Park Hotel & Conference Centre Rugby Road, Dunchurch, Warwickshire, CV22 6QW

Hosts: Andrew Roberts and Peter Lazell

3rd Monday of the month

www.GreatPropertyMeet.co.uk

The Coventry & Warwickshire Property Group

4th Wednesday of every other month

Excel Leisure Centre, Mitchel Avenue, Coventry, CV4 8DY **Host:** Neil Mangan

THE PROPERTY HUB

1st Thursday of the Month

<http://thepropertyhub.net/meetups>

Leamington Spa The Fat Pug,

CV32 5BZ. **Host:** Carol Duckfield

Birmingham Around The World, B15 1AY

Host: Kevin Cooper



ZONE 6

Luton pin

4th Tuesday of the month

Hampton by Hilton, 42-50 Kimpton Rd, Luton, LU2 0SX **Host:** James Rothnie
www.lutonpin.co.uk

Milton Keynes pin

3rd Tuesday of the month

Holiday Inn London Road, Newport Pagnell, MK16 0JA
Host: John Kerr
www.miltonkeynespin.co.uk

Leicester pin

1st Thursday of the month

The Fieldhead Hotel, Markfield Lane, Markfield, LE67 9PS
Host: Jo and Gary Henly
www.leicesterpin.com

Nottingham pin

3rd Tuesday of the month

Park Inn by Radisson Nottingham 296 Mansfield Road, Nottingham, NG5 2BT **Host:** Spike Reddington
www.nottinghampin.co.uk

Watford pin

2nd Thursday of the month

The Mecure, A41 Watford Bypass, Watford, Hertfordshire WD25 8JH
Host: Samuel Ikhinmwin
www.watfordpin.co.uk

Northampton pin

1st Thursday of the month

Hotel Campanile, Junction 15 M1, Loake Close, Grange Park, Northampton NN4 5EZ
Host: Amelia Carter
www.northamptonpin.co.uk

PPN Derby

08/05/2018

Nelsons Solicitors, Sterne House, Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Northampton

15/05/2018

Hilton Hotel, 100 Watling Lane, Collingtree, Northampton, NN4 0XW
Hosts: Andi Cooke & Lloyd Girardi
progressivepropertynetwork.co.uk/northampton

PPN Leicester

02/05/2018

Premier Inn Braunstone Lane E, Leicester LE3 2FW
Host: Kal Kandola
progressivepropertynetwork.co.uk/leicester

Bucks Property Meet

Last Thursday of the Month

The Bull, Oxford Rd, Gerrards Cross, Buckinghamshire, SL9 7PA
Hosts: Rachael Troughton & John Cox
www.buckspropertymeet.com

Milton Keynes Property Meet

2nd Monday of the Month

National Badminton Centre, Bradwell Road, Loughton Lodge, Milton Keynes, MK8 9LA **Host:** Sharad Patil
www.mk-propertymeet.com

UK Property Network Leicester

2nd Tuesday of the Month

The Field Head Hotel, Markfield La, Markfield, Leicestershire, LE67 9PS
Host: Tracey Hutchinson
www.meetup.com/UKPN-Leicester

Landlords National Property Group

1st Monday of the Month

The Derbyshire Hotel, Carter Lane East, Derby DE55 2EH
Hosts: Paul Hilliard and Nick Watchorn
www.lnpg.co.uk

EPN Nottingham

4th Thursday of the month

Crowne Plaza Hotel, Wollaton Street, NG1 5RH, Nottingham
Host: Matt Tongue
<http://bit.ly/EPN-Nottingham>

St. Albans Property Meet

3rd Wednesday of the month

54-56 Victoria St, St Albans, Herts, AL1 3HZ
Host: Ranjan Bhattacharya
www.stalbanspropertymeet.com

Harlow Property Network

3rd Wednesday of the Month

Day Barn Harlow Study Centre Netteswellbury Farm
Host: Ajay Pamneja
www.myproperty.coach

The Property Connect

First Weds or Thurs of every month (alternate) 1900-2100

The Sharnbrook Hotel, Park Lane, Sharnbrook, MK44 1LX
Hosts: Peter Hogan, Tiruven Pillay
<https://www.facebook.com/thepropertyconnect/>

THE PROPERTY HUB

1st Thursday of the Month

<http://thepropertyhub.net/meetups>

Derby The Tap, DE1 2ED.

Host: Ryan Slater

Nottingham The Lion at Basford, NG7 7FQ. **Host:** Jonathan Challis

Leicester Heathley Park - Fayre & Square, LE3 9QE. **Host:** Mark Barnes

St Albans The Beech House, AL1 3EG. **Host:** Chris Ryder

Milton Keynes Ye Olde Swan, MK6 3BS. **Host:** Jason Smith



ZONE 7

Liverpool pin

4th Thursday of the month

The Liner Hotel, Lord Nelson Street, Liverpool, L3 5QB **Host:** Billy Turriff
www.liverpoolpin.co.uk

Manchester pin

3rd Wednesday of the month

NEW VENUE - Best Western Cresta Hotel, Church St, Altrincham, WA14 4DP **Host:** Julie Whitmore
www.manchesterpin.co.uk

Chester pin

2nd Thursday of the month

Mercure Chester (formerly known as Ramada), Whitchurch Road, Christleton, Chester, CH3 5QL
Host: Hannah Fargher
www.chesterpin.co.uk

Manchester PNC

Last Monday of the Month

The Brindley Room Dukes 92 18-20 Castle Street, Manchester, M3 4LZ
Hosts: Richard Sheperd & Yulan Yang
www.manchesterpnc.com

Cheshire Property Meet

Last Thursday of each month

Bosley Farm, Bosley Crossroads, Bosley, Macclesfield SK11 0PS
Hosts: Lionel Palatine and David Deasy
www.cheshirepropertymeet.com

PPN South Manchester

24/05/2018

Best Western Plus, Pinewood on Wilmslow, Wilmslow Road, Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool

28/05/2018

Blackpool Football Club, Bloomfield Rd, Seaside Way, Blackpool FY1 6JJ
Host: Chris Worden
progressivepropertynetwork.co.uk/blackpool

PMA Manchester

4th Wednesday of the month

A J Bell Stadium, Stadium Way, Eccles
Hosts: Ben Clarke and Tom Arden
www.pmanetwork.co.uk/events

TPM Meeting Warrington

4th Monday of every month

Daresbury Park Hotel, Daresbury Park Daresbury, Warrington, WA4 4BB
Host: Susan Alexander
<http://thepropertymentor.eventbrite.com>

TPM Meeting Wigan & Worsley

4th Wednesday of the month

Holiday Inn Express, Leigh Sports Village, Sale Way, Leigh, WN7 4JY
Host: Debra Long
<http://thepropertymentor.eventbrite.com>

Lifestyle Property Network

3rd Monday of the month

Village Hotel, Cheadle Road, Cheadle, South Manchester, SK8 1HW

ASANA North West Property Meet

1st Monday of each month

The Willows, Douglas Valley, A6 Blackrod Bypass, Blackrod, Bolton, BL6 5HX **Hosts:** Howard Cain and Kathy Bradley
www.asanapropertyinvestments.co.uk

We Buy Houses - Manchester

3rd Thursday of the month

New host: Bruce Lamb
Register at <http://webuyhouses.co.uk/rick-otton-meetups>

Property Leverage Network

Manchester 1st Tuesday of every

month Castlefield Hotel, Liverpool Road, M3 4JR **Host:** Nicola White
<http://propertyleverage.co.uk/manchester>

Manchester Property Investor

Breakfast 1st Friday of the month

(7.30am - 9.30am) Village Hotel, Ashton under Lyne, OL7 0LY
Host: Fraser Macdonald
www.meetup.com/Manchester-Property-Investor-Breakfast

Property Leverage Network Manchester

1st Tuesday of every month

Castlefield Hotel, Liverpool Road, M3 4JR **Host:** Nicola White
propertyleverage.co.uk/manchester

Property Investors Meetup Cumbria

1st Wednesday of the Month

6.30pm at Edenhall Hotel, Penrith, Cumbria CA11 8SX
Host: Darren Williams
www.elitepropertysolutions.co.uk
FREE TO ATTEND

THE PROPERTY HUB

1st Thursday of the Month

<http://thepropertyhub.net/meetups>

Liverpool The Brewery Tap, L8 5XJ

Host: Tony Woods

Manchester The Kaz Bar at Tiger

Tiger, M4 2BS **Host:** Mark Morris

Chorley The Lock and Quay, PR6 9AE.

Host: André Simm



ZONE 8

Hull pin

2nd Thursday of the month

Mercure Hull Royal Hotel, 170 Ferensway, Hull, East Yorkshire, HU1 3UF

Hosts: Nicola and Rob McPhun
www.hullpin.co.uk

Leeds pin

4th Wednesday of the month

Crowne Plaza Hotel, Wellington Street, Leeds, LS1 4DL

Hosts: Jay and Nana Sharma
www.leedspin.co.uk

Great North pin

(Formerly Newcastle pin)

4th Thursday of the month

Lumley Castle, Ropery Lane, Chester le Street, County Durham, DH3 4NX

Host: John Woolley & Deon Kotzé
www.newcastlepin.co.uk

Harrogate pin

1st Wednesday of the month

Cedar Court Hotel, Park Parade, off Knaresborough Road, Harrogate, HG1 5AH **Hosts:** David and Jenny Fisher
www.harrogatepin.co.uk

York pin

3rd Wednesday of the month

Hilton York, 1 Tower St, York, YO1 9WD

Hosts: Michael Chamberlain & Sam Chamberlain
www.yorkpin.co.uk

Sheffield pin

2nd Wednesday of the month

Mercure Sheffield Parkway Hotel (previously known as Aston Hotel) Britannia Way, Sheffield, South Yorkshire S9 1XU **Host:** Naomi Watkins
www.sheffieldpin.co.uk

Property Leverage - Leeds

3rd Monday of the month

The Stables, Weetwood Hall, Leeds, LS16 5PS (Location subject to change)
Host: Rob Hodgkiss (07398858256)

Property Leverage Network - York

2nd Tuesday of every month

Beechwood Close Hotel
19 Shipton Road, YO30 5RE York
www.propertyleverage.co.uk

PPN Sheffield

23/05/2018

Mercure Hotel, Britannia Way, Catcliffe, Rotherham, Yorkshire S60 5BD (formerly the Aston Hotel)

Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

PPN Leeds

08/05/2018

Novotel Hotel, 4 Whitehall Quay, Leeds, LS1 4HR **Host:** Mo Jogess
progressivepropertynetwork.co.uk/leeds

PPN York

21/05/2018

Hilton Hotel, 1 Tower St, York, YO1 9WD

Host: Laura Patterson
progressivepropertynetwork.co.uk/york

PPN Newcastle

15/05/2018

Holiday Inn Washington, Emerson, Washington, NE37 1LB

Host: Derek Pape
progressivepropertynetwork.co.uk/newcastle

THE PROPERTY HUB

1st Thursday of the Month

<http://thepropertyhub.net/meetups>

Sheffield Ink & Water, S1 4JB

Hosts: Rhys Jackson and Alice Lacey

Newcastle-Upon-Tyne The Tap and Tackle Bar, Kingston Park Rugby Stadium, NE13 8AF. **Host:** Al Robinson

Leeds Mr Foleys, LS1 5RG

Host: Andy Norman

Doncaster Regent Hotel, DN1 2DS.

Host: Helen Elworthy

EPN Sheffield

1st Thursday of the month

Table Arena Square Table Table, 3 Arena Court, Sheffield S9 2LF
Host: Darrell Grayson
<http://bit.ly/EPN-Sheffield>

Property Leverage - Wakefield

1st Wednesday of the month

Kirklands Hotel, Leeds Road, Wakefield, WF1 2LU **Host:** Dominic Woodward (07794223136)

ZONE 9

Edinburgh pin

3rd Thursday of the month

Capital Hotel, 187 Clermiston Rd, Edinburgh EH12 6UG **Host:** John Kerr
www.edinburghpin.co.uk

PPN Glasgow

28/05/2018

The Corinthian Club, 191 Ingram St, Glasgow G1 1DA

Host: Philip Howard
progressivepropertynetwork.co.uk/glasgow

PMA Glasgow

3rd Wednesday of the month

Hotel Novotel Glasgow Centre, 181 Pitt Street, Glasgow **Host** Victor Rhynas
www.pmanetwork.co.uk

Property Leverage Network - Glasgow

4th Tuesday of every month

Glasgow Pond Hotel, Great Western Rd, G12 0XP Glasgow, United Kingdom
www.propertyleverage.co.uk

ZONE 10

Cardiff pin 2nd Tuesday of the Month

Mercure Cardiff Holland House Hotel & Spa, 24-26 Newport Rd, Caerdydd, Cardiff, CF24 0DD **Host:** Morgan Stewart
www.cardiffpin.co.uk

Swansea pin 4th Thursday of the Month

Village Hotel, Langdon Road (Off Fabian Way), SA1 Waterfront, Swasea, SA1 8QY **Host:** Bernadette & Ian Lloyd
www.swanseapin.co.uk

The Property Hub - Cardiff

1st Thursday of the Month

Holiday Inn Cardiff North, CF15 7LH
Hosts: Carl Matthews and Luise L
<http://thepropertyhub.net/meetups>

ZONE 12

Dublin Property Meet

3rd Wednesday of the Month

Red Cow Moran Hotel, Dublin 22, Dublin, Ireland **Host:** John Power
www.dublinpropertymeet.com

PMA Edinburgh

2nd Wednesday of every month

Novotel Edinburgh Centre, 80 Lauriston Place, Edinburgh

Host: Lokkie Cheung
www.pmanetwork.co.uk

Discovery Hub Networking event

3rd Tuesday of the month

Jury's Inn, Union Square, Guild Street Aberdeen, AB11 5RG

Hosts: Eduardo Prato and Lukas Princ
www.vectorpro.co.uk/network

THE PROPERTY HUB

1st Thursday of the Month

<http://thepropertyhub.net/meetups>

Glasgow Dram!, G3 6ND. **Hosts:**

Tony Ng, Nelson Wan, Luis Guarin

Edinburgh The Grosvenor Casino,

EH12 8NE **Hosts:** Bill McWilliam and Caryn Simpson

Aberdeen The Village Hotel,

Kingswells, AB15 8PJ. **Hosts:** Scott Wilson and Dale Williamson

ZONE 11

Belfast pin

1st Tuesday of the Month

Balmoral Hotel, Blacks Road, Dunmurry, Belfast, BT10 0NF

Host: Ian Jackson
www.belfastpin.co.uk

Belfast Property Meet

1st Thursday of the Month

The Mac Theatre, St. Anne's Square, Belfast

Host: Chris Selwood
www.belfastpropertymeet.com

THE PROPERTY HUB

1st Thursday of the Month

(unless stated)

<http://thepropertyhub.net/meetups>

Dubai The Scene, Dubai Marina Mall

Host: Chris Battle

Hong Kong Check website for time

Classified, Exchange Square.

Host: Kevin Isaacs

Stockholm Melt Bar,

Malmkillnadsgaten 45, 111 38.

Host: Tim Franzén

Jersey The Halkett, JE2 4WJ

Host: Jo Alford

Zurich Kennedy's Irish Pub.

Hosts: Markus Zeller and Iain Mathews

YPN Strongly recommend that you attend your local property networking events. However, the events listed are not staged by Your Property Network Ltd. Please check venue and dates on the relevant website before travelling to the event.



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- ✓ How to get the maximum valuation price when you refinance
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To book in or request more information, email ypn@recycleyourcash.co.uk or visit www.ninjinvestorprogramme.co.uk

LONDON

McHugh & Co 03/05/2018

The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Savills (London - National) 09/05/2018

Sheraton Grand London, Park Lane, Piccadilly, London, W1J 7BX

Barnett Ross 10/05/2018

Radisson Blu Portman Hotel, 22 Portman Square, London, W1H 7BG 12:00

Lambert Smith Hampton (National)

14/05/2018 Le Meridien Piccadilly Hotel, 21 Piccadilly, London, W1J 0BH 11:00

Strettons 22/05/2018

Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA 11:00

Barnard Marcus 22/05/2018

Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Auction House London 24/05/2018

London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST 12:00

Acuitus 24/05/2018

Radisson Blu Portman Hotel, 22 Portman Square, London, W1H 7BG

Phillip Arnold Auctions 25/05/2018

Doubletrees By Hilton, 2-8 Hanger Lane, Ealing, London, W5 3HN

Allsop Residential 31/05/2018

Cumberland Hotel, Great Cumberland Place, London, W1H 7DL

NORTHERN IRELAND

BRG Gibson 15/05/2018

Stormont Hotel, 587 Upper Newtownards Road, Belfast, BT4 3LP 19:30

Wilsons (Northern Ireland) 31/05/2018

Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP 19:00

NORTH EAST

Great North Property Auction -

IAM Sold 24/05/2018 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Agents Property Auction 31/05/2018

Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

SOUTH WEST

Clive Emson West Country 02/05/2018

St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD 11:00

D J & P Newland Rennie Newport

08/05/2018 Mendip Spring Golf Club, Brinsea Farm, Honeyhall Lane, Congresbury, Bristol, BS49 5JT 19:00

Stephen & Co 09/05/2018

Commodore Hotel, 1-2 Beach Road, Weston-super-Mare, BS22 9UZ

Stags Taunton 10/05/2018

Taunton Racecourse, Shoreditch, Taunton, TA3 7BL 15:00

Strakers 10/05/2018

The Corn Exchange, Market Place, Devizes, SN10 1HS 19:00

Stags Dulverton 10/05/2018

Taunton Racecourse, Shoreditch, Taunton, TA3 7BL

Hayman-Joyce 16/05/2018

White Hart Royal Hotel, High Street, Moreton-in-Marsh, GL56 0BA 18:00

Rendells Chagford 16/05/2018

Whiddon Down Village Hall, Drewsteignton, Exeter, EX6 6PG

David Plaister Ltd 22/05/2018

The Imperial Brasserie, 14 South Parade, Weston-Super-Mare, BS23 1JN 19:00

Hollis Morgan 23/05/2018

All Saints Church, Pembroke Road, Clifton, Bristol, BS8 2HY 11:00

Woolley & Wallis 23/05/2018

Milford Hall Hotel, 206 Castle Street, Salisbury, SP1 3TE 14:00

Auction House Bristol & West 24/05/2018

Ashton Gate Stadium, Winterstoke Road, Ashton Gate, BS3 2LQ 19:00

Phillips Smith & Dunn Bideford 25/05/2018

Barnstaple Hotel, Braunton Road, Barnstaple, EX31 1LE 13:00

Phillips Smith & Dunn Barnstaple

25/05/2018 Barnstaple Hotel, Braunton Road, Barnstaple, EX31 1LE

Phillips Smith & Dunn Torrington

25/05/2018 Barnstaple Hotel, Braunton Road, Barnstaple, EX31 1LE

Greenslade Taylor Hunt Agricultural Office

30/05/2018 Castle Hotel, Castle Green, Taunton, TA1 1NF

WEST MIDLANDS

West Midlands Property Auction - IAM Sold

09/05/2018 Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR

Loveitts 17/05/2018

Village Urban Resort, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ 18:30

Pughs 17/05/2018

Feathers Hotel, 25 High Street, Ledbury, HR8 1DS 18:30

Cobb Amos 17/05/2018

Luctonians RFC, Mortimer Park, Kingsland, Leominster, HR6 9SB

Butters John Bee 21/05/2018

The Best Western, Moat House Hotel, Festival Way, Stoke-on-Trent, ST1 5BQ 18:30

John Earle & Son 22/05/2018

Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

SDL Auctions Bigwood 23/05/2018

Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE 10:30

Cottons 24/05/2018

Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE 11:00

NORTH WEST HOME COUNTIES

Auction House Thames Valley 15/05/2018

The Pinewood Hotel, Wexham Park Lane, George Green, SL3 6AP 12:00

Romans 23/05/2018

Green Park Conference Centre, 100 Longwater Avenue, Reading, RG2 6GP 13:30

EAST ANGLIA

Clarke & Simpson 03/05/2018

Ufford Park Hotel, Ufford Park, Melton, Woodbridge, IP12 1QW 18:30

Goldings 09/05/2018

The Atrium, Wherstead Park, Ipswich, IP9 2BJ 14:15

Durrants 09/05/2018

The Auction Rooms, Peddars Lane, Beccles, NR34 9UH 15:00

SOUTH EAST HOME COUNTIES

Clive Emson Kent & South East London

01/05/2018 Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF 11:00

Parsons Son & Basley 02/05/2018

The Old Ship Hotel, 32-38 Kings Road, Brighton, BN1 1NR 11:00

Clive Emson Hampshire & Isle of Wight

03/05/2018 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ 11:00

Clive Emson Sussex & Surrey 04/05/2018

Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU 11:00

Fox & Sons (Southampton) 11/05/2018

Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA 13:00

Auction House Essex 15/05/2018

Marks Tey Hotel, London Road, Colchester, CO6 1DU 19:00

Pearsons Auctions 16/05/2018

The Hilton Hotel at The Ageas Bowl, Botley Road, Southampton, SO30 3XH 11:00

Nesbits 17/05/2018

Royal Marines Museum, Eastney Esplanade, Southsea, PO4 9PX 11:00

Hair & Son 17/05/2018

Saxon Hall, Aviation Way, Southend on Sea, SS2 6UN 15:00

Auction House Essex 17/05/2018

Park Inn Palace, Church Road, Southend-on-Sea, SS1 2AL 19:00

Dedman Gray 23/05/2018

Holiday Inn Hotel, London Southend Airport, Southend-on-Sea, SS2 6XG 14:00

Auction House Sussex 24/05/2018

The Villas, 21-23 Clarendon Villas, Hove, BN3 3RE 14:30

WALES

Paul Fosh Auctions 03/05/2018

The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF 17:00

John Francis 09/05/2018

Parc y Scarlets, Llanelli, SA14 9UX 13:00

Seel & Co 15/05/2018

The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF 17:00

Astleys 16/05/2018

Towers Hotel & Spa, Ashleigh Terrace, Swansea, SA10 6JL 15:00

Auction House South Wales 23/05/2018

Village Hotel, 29 Pendwyallt Road, Cardiff, CF14 7EF 19:00

YORKSHIRE & THE HUMBER

Northern Lincolnshire Property Auction -

IAM Sold 01/05/2018 Forest Pines Hotel, Ermine Street, Broughton, Brigg, DN20 0AQ

Wm Sykes & Son 01/05/2018

Huntsman Inn, Greenfield Road, Holmfirth, HD9 3XF

William H Brown (Leeds) 03/05/2018

Leeds United Football Club, Elland Road, Leeds, LS11 0ES 12:30

Sharpes 08/05/2018

Midland Hotel, Forster Square, Bradford, BD1 4HU 18:00

West Yorkshire Property Auction - IAM Sold

09/05/2018 Cedar Court Hotel, Mayo Avenue, Bradford, BD5 8HW 19:00

Blundells 10/05/2018

Double Tree by Hilton Sheffield Park, Chesterfield Road South, Sheffield, S8 8BW 13:00

East Yorkshire Property Auction - IAM Sold

15/05/2018 Village Hotel, Henry Boot Way, Hull, HU4 7DY

Auction House West Yorkshire 16/05/2018

Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Feather Smailes & Scales 17/05/2018

The Pavilions of Harrogate, Great Yorkshire Showground, Railway Road off Wetherby Road, Harrogate, HG2 8QZ 15:00

Boultons Harrisons Ltd 17/05/2018

John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG 19:00

Mark Jenkinson & Son 22/05/2018

Platinum Suite, Sheffield United Football Club, Bramall Lane, Sheffield, S2 4SU 14:00

Auction House South Yorkshire 23/05/2018

Copthorne Hotel, Bramall Lane, Sheffield, S2 4SU 12:30

SCOTLAND

Auction House Scotland 10/05/2018

200 SVS, 200 St. Vincent Street, Glasgow, G2 5RQ 14:00

SVA Property Auctions Ltd 10/05/2018

Edinburgh Marriott Hotel, 111 Glasgow Road, Edinburgh, EH12 8NF 14:00

Wilsons (Scotland) 10/05/2018

Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG 19:00

Wilsons (Scotland) 31/05/2018

Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG 19:00

EAST MIDLANDS

SDL Auctions Graham Penny

(Nottingham) 03/05/2018

Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE 11:30

The County Property Auction 09/05/2018

Doubletree by Hilton, Brayford Wharf North, Lincoln, LN1 1YW 19:00

Bagshaws Bakewell 14/05/2018

The Agricultural Business Centre, Agricultural Way, Bakewell, DE45 1AH

Bagshaws Residential 16/05/2018

Derbyshire County Cricket Club, Nottingham Road, Derby, DE21 6DA 11:30

Shonki Brothers (Narborough Road)

16/05/2018 Leicester City Football Club, Filbert Way, Leicester, LE2 7FL 17:30

Auction House Copelands 23/05/2018

Chesterfield Football Club, 1866 Sheffield Road, Chesterfield, S41 8NZ 19:00

SDL Auctions Graham Penny (Derby)

31/05/2018 Pride Park Stadium, Pride Parkway, Derby, DE24 8XL 11:30

NORTH WEST

Cumbrian Properties - The Agents Property

Auction 02/05/2018 The Halston Aparthotel, 20-34 Warwick Road, Carlisle, CA1 1AB 18:00

Auction House Manchester 15/05/2018

Manchester City Football Club Ltd, Etihad Stadium, Rowsley Street, Manchester, M11 3FF 14:00

NWA Property 15/05/2018

J36 Rural Auction Centre, A6070, Milnthorpe, LA7 7FP 19:00

Venmore Auctions 16/05/2018

Liverpool Town Hall, High Street, Liverpool, L2 3SW 13:00

Auction House North West 16/05/2018

Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW 14:00

Sutton Kersh Auctions 17/05/2018

The Crowne Plaza Hotel, 2 St Nicholas Place, Liverpool, L3 1QW 12:00

North West Property Auction - IAM Sold

17/05/2018 Village Urban Resort, Rochdale Road, Bury, BL9 7BQ

SDL Auctions North West 24/05/2018

AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY 13:00

Auction House Cumbria 31/05/2018

Carlisle Racecourse, Durdar Road, Carlisle, CA2 4TS 12:00

Auction House Cumbria 31/05/2018

Coronation Hall, County Square, Ulverston, LA12 7LZ 18:30

SpareRoom's UK Rental Index Q4 2017

Rents outside London rise, while rents in the Capital continue to fall

	Average monthly room rent (£) Q4 2017	Annual change Q4 2017 vs Q4 2016 (%)	Annual change Q4 2016 vs Q4 2015 (%)
UK rent (excluding London)	£459	1%(£454)	4%(£437)
London	£737	-2%(£749)	-1%(£755)
East Midlands/Anglia	£417	1%(£414)	9%(£381)
North East	£381	3%(£370)	3%(£357)
North West	£398	2%(£392)	1%(£389)
Northern Ireland	£297	4%(£286)	3%(£279)
Scotland	£444	3%(£431)	2%(£422)
South East	£503	1%(£497)	3%(£480)
South West	£453	3%(£441)	3%(£427)
Wales	£371	1%(£366)	4%(£352)
West Midlands	£411	0%(£412)	3%(£399)

This table shows average UK rents for Q4, for the 50 largest UK towns and cities, and how these have changed over the past year:

UK's 50 biggest towns/cities by population	Average monthly room rent (£) Q4 2017	Annual change Q4 2017 vs Q4 2016 (%)
Aberdeen	£387	-9% (£423)
Belfast	£299	3%(£289)
Birmingham	£412	-2%(£422)
Blackpool	£363	5%(£345)
Bolton	£341	-2%(£350)
Bournemouth	£470	-1%(£473)
Bradford	£307	-8%(£332)
Bristol	£493	3%(£479)
Cardiff	£385	2%(£376)
Coventry	£423	5%(£404)
Derby	£379	1%(£374)
Dudley	£378	2%(£369)
Dundee	£367	10%(£334)
Edinburgh	£522	8%(£483)
Glasgow	£429	-1%(£431)
Huddersfield	£327	-1%(£330)
Hull	£357	1%(£354)
Ipswich	£429	6%(£406)
Leeds	£395	4%(£380)

UK's 50 biggest towns/cities by population	Average monthly room rent (£) Q2 2017	Annual change Q2 2017 vs Q2 2016 (%)
Leicester	£386	4%(£372)
Liverpool	£362	-3%(£373)
Luton	£453	-2%(£461)
Manchester	£431	2%(£424)
Middlesbrough	£327	5%(£310)
Milton Keynes	£492	1%(£488)
Newcastle	£371	1%(£368)
Northampton	£432	-1%(£435)
Norwich	£412	-1%(£416)
Nottingham	£401	4%(£384)
Oxford	£570	3%(£552)
Peterborough	£413	3%(£399)
Plymouth	£394	3%(£383)
Poole	£486	0%(£488)
Portsmouth	£447	3%(£432)
Preston	£352	-3%(£363)
Reading	£544	0%(£544)
Sheffield	£363	0%(£364)
Southampton	£452	3%(£441)
Southend-On-Sea	£523	6%(£492)
Stockport	£431	5%(£412)
Stoke-on-Trent	£356	5%(£340)
Sunderland	£306	-6%(£328)
Swansea	£341	-1%(£346)
Swindon	£453	4%(£437)
Telford	£382	-1%(£385)
Walsall	£364	-5%(£381)
West Bromwich	£383	3%(£373)
Wolverhampton	£368	5%(£350)
York	£438	6%(£412)
London	£737	-2%(£749)
UK excluding London	£459	1%(£454)

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